

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 DORICUM”

* Not including premium; including dormant equity share (notice of termination given as of 31.12.2008); until 2008 the Euro conversion reserve is included in the equity capital. Notice of termination of a long-standing limited partner with effect from 31.12.2010 in an amount of EUR 25 thousand.

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

*** An amount of EUR 887 thousand was paid in January 2010.

**** The original ship mortgage loan was repaid in 2007 as foreseen in the prospectus.

¹⁾ End of the prospectus lifetime as of 31.8.2008.

²⁾ Of which can be balanced 116.5 %; can be offset 26.2 %.

³⁾ Of which taxable 2.7 %; tax-free 2.5 %. The company opted for the tonnage tax in 1999. From 1999, the tax result (actual) correspondingly represents the lump-sum tonnage-based net income (0.13 % p.a., from 2010 0.1169 % p.a. taxable) plus the dissolution of the differential amount of the USD loan (until redemption in 2007).

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 5.2 % resulted until 2009 for the original capital (EUR 100 thousand) (see Footnote 3); from 2010 annually 0.1169 % tonnage tax, basis EUR 126.4 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⁾ 27.0 % 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.

Finanzierung und Investition in T-EUR:		
	until 2008	from 2009/2010
Equity capital*	10,287	10,050
Newly subscribed equity capital**	0	1,656
Euro conversion reserve	-	213
Loan "Business Continuation Concept"***	-	887
Borrowed capital	10,481	10,481
Total investment	20,769	23,287
Premium	481	481

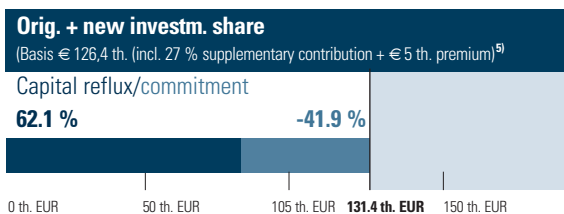
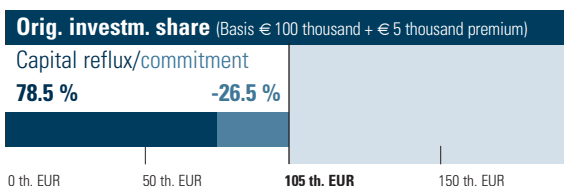
Operation until 31.12.2010, accumulated:		
	prospectus ¹⁾	actual
Operating days	-	5,420
Net charter revenues in thousand EUR	-	37,350
Operating result in thousand EUR	-	9,543
Dividend payments in thousand EUR	-	1,058

Loan level as of 31.12.2010:		
	redemption schedule	actual
Ship mortgage loan in thousand USD****	-	0
Loan "Business Continuation Concept" *** in thousand EUR	-	887

Tax results 1995-2010 in % accumulated: ⁶⁾		
	orig. investm. share	orig. + new investm. share
Negative tax results	-142.7 ²⁾	-142.7 ⁴⁾
Positive tax results	5.3 ³⁾	5.3 ⁴⁾

Option for the tonnage tax as of 1.1.1999		
Differential amount ship	55.2	55.2 ⁴⁾

Capital commitment/reflux in EUR as of 31.12.2010		
	orig. investm. share	orig. + new investm. share
Paid in	-105,000	-131,404
Tax reflux from offsettable tax-deductible loss allocations	68,881	68,881
Tax payments on profit allocations	-1,406	-1,420
Dividends	11,000	11,000
Capital commitment	-26,525	-52,943
Capital reflux	78,475	78,461



The charters

Until 14th March 2010, the MV “Mare Doricum” was in operation at APL (American President Lines), Singapore, at a daily rate of USD 3,725. After that it was possible to conclude two half-year charters with Johan Shipping, Malaysia, at daily rates of USD 4,000 (until 20th Sept. 2010) and USD 4,400 until 4th April 2011. Until 21st April 2011, the ship operated for MTT Shipping, Malaysia, at USD 7,250 per day and then at USD 7,950 per day until max. the beginning of July 2011. The dry dock overhaul of the MV “Mare Doricum” after 15 years of operation was due in the year 2010. As a result, the ship was in operation on 329 days in the year 2010.

Economic situation

The company booked an operating result of EUR -1,705 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 the dry dock overhaul carried out in the year 2010. The mortgage loan has already been fully repaid since September 2007. The MV “Mare Doricum” 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 of the year 2010 for a 1,000 TEU ship was USD 4,799 per day.

Prospects

Since 28th March 2011, the MV “Mare Doricum” 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 -245 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 2015 (after 20 years of operation).