

MV "HLL Baltic"

Type of ship:

Container ship

Deadweight tonnage:

62,442 tdw

Length overall:

292.0 m

Moulded beam:

32.25 m

Draught:

13.50 m

Container storage capacity:

4,565 TEU (Twenty
Foot Equivalent Unit)

Speed:

24.5 kn

Shipbuilding yard:

**Hyundai Heavy
Industries**
in Ulsan/South Korea

In service since:

November 1995



The charters

Until August 2011, the MV "HLL Baltic" is still operating under the charter name "APL Costa Rica" for the liner shipping company APL (American President Line) at a charter rate of USD 29,000 gross p.d. APL belongs to the Neptune Orient Lines Group (in short "NOL"), in which the city state of Singapore is the majority shareholder. The ship is currently operating in the "Red Sea Express Service" and serves ports between the Far East, the Red Sea and India. Altogether operation of the ship was to the full satisfaction of the charterer APL. In April/May 2010 the ship underwent its scheduled inspection and overhaul in Hong Kong. Apart from the 19-day dry dock overhaul, the ship was in operation practically without interruption, i.e. it incurred no major "off-hire" times (period during which the ship is technically not operable and thus cannot earn any revenues). This illustrates the unusually good technical condition of the meanwhile almost 15-year-old ship. The service intervals on board are controlled by a special maintenance programme so that an optimum stock of necessary spare parts can be kept on board.

Economic situation

The operating result for 2010 is EUR 2.98 million, which is thus EUR 2.07 million lower than the figure calculated in the prospectus. The charter revenues at EUR 7.01 million are a total of EUR 0.94 million lower than anticipated in the prospectus. The difference is solely attributable to the balance sheet currency Euro, as the US Dollar depreciated more strongly than had been assumed in the prospectus. A positive aspect is the higher charter rate of USD 29,000 gross p.d. as compared with the prospectus figure. Furthermore, despite the scheduled dry dock overhaul we booked 346 operating days, this being 16 days more than foreseen in the prospectus.

The ship operating costs (OPEX) at EUR 3.59 million are EUR 1.33 million higher had been assumed in the prospectus. The reasons for this were primarily the scheduled dry dock overhaul in Hong Kong as well as a 13 % increase in insurance costs as compared with the year 2009.

The loan repayments were made to schedule in 2010, so that at the end of the year an arithmetical redemption advantage of USD 0.42 million remains as compared with the original bank financing plan. In the business year 2010, despite shipyard costs and the increase in insurance costs, dividends in an amount of 8.0 % were paid on the limited partnership capital. The company has opted for the tonnage tax with retroactive effect as envisaged in the prospectus. Since the beginning of December 2008, the MV "HLL Baltic" has been operating under the German flag. The extra cost that this entails is reimbursed within the framework of a proportionate contribution agreement.

Prospects

The charter revenues at EUR 6.3 million will be a total of some EUR 1.7 million lower than anticipated in the prospectus. We are reckoning with 30 more operating days than stated in the prospectus. In addition, the APL charter rate up to and including August at USD 29,000 gross p.d. is higher than the rate of USD 25,700 net p.d. predicted in the prospectus.

The ship operating costs at some EUR 2.4 million are expected to be slightly higher than the figure stated in the prospectus. These contain a calculated increase in personnel costs in USD of around 13 %, caused by the refund for incidental wage costs from the Bundesamt für Seeschifffahrt that was received in the prior year but is not expected for 2011. The budget envisages that scheduled repayments will be made so that at the end of year an arithmetical redemption advantage of USD 0.5 million as compared with the original bank financing plan remains intact. The current estimation is that dividend payments in an amount of some 6 % are possible in 2011.

Financing and investment in thousand EUR:

	prospectus	actual
Limited partnership capital (nominal)	14,500	15,000
Premium	725	750
Borrowed capital ¹⁾	38,373	38,373

Operation as of 31.12.2010 accumulated:

	prospectus	actual
Operating days	3,131	3,259
Net charter revenues in thousand EUR	75,054	64,147
Operating results in thousand EUR	44,142	34,455
Dividends in thousand EUR	13,630	13,184

Loan level as of 31.12.2010:

	redemption schedule	actual
Ship mortgage loans in thousand USD	5,453.0	8,469.5
Ship mortgage loans in thousand JPY	418,945.0	0.0
Ship mortgage loans in thousand CHF	0.0	0.0
Total in thousand USD ¹⁾	8,889.8	8,469.5

Tax results 2010 in % accumulated:

	prospectus	actual
Negative tax results	-61.9	-56.5
Positive tax results	10.8	40.2
Option for tonnage tax as of 1.1.2004		
Differential amount ship		-15.1
Differential amount, foreign currency as of 31.12.2010		14.7

Capital commitment/reflux in % as of 31.12.2010:

	prospectus	actual
Paid in	105.0	105.0
Tax repayments from offsettable tax-deductible losses	33.0	30.1
Tax payments on taxable profits	5.1	18.8
Dividends	94.0	88.0
Capital commitment	-16.9	5.7
Capital reflux	121.9	99.3

Actual investment (incl. premium)

99.3 %

5.7%

Capital reflux

Capital commitment

¹⁾ Valued at the purchase exchange rate at the value date