

HanseYachts Aktiengesellschaft



Six Months' Report 2008/2009



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1. Market and Market Climate

The general economic framework has continued to change dramatically since the end of the last fiscal year and in particular since publication of the last interim financial report for this fiscal year. What began as a crisis in financing real estate in the U.S. has in the meantime developed into a full-blown, worldwide economic crisis. As manufacturers of recreational products, we have been directly affected by changes in consumer behaviour and habits.

Consumers have been very restrained in making a final decision for a purchase in all of the markets that are relevant for Hanse-Yachts and have tended to postpone the decision to buy a boat. In addition the situation has been exacerbated by a lack of financing possibilities for those dealers who do not have sufficient funds to acquire demonstrator boats and for granting trade-in allowances for used boats.

Contrary to all expectations, the typical spring jump in demand anticipated not the least because of excellent results at recent boat shows has thus far not materialised.

2. Notes on Developments in Turnover and Earnings

By nature our business is characterised by recurring seasonal factors. A fiscal year typically begins with a vacation closedown in August. Then comes the integration of new or redesigned models and production of boats for boat shows. This in turn initially causes shortfall in productivity that usually can be made up again in the 3rd and 4th quarters. This year we realised Moody 41 Classic and the Moody 45 Classic as well as a face-lift for the Hanse 470.

In this season, European markets are always weaker than in the summer months. Every year the 1st and 2nd quarters are characterised by heavy expenditures for boat shows and new products as well as by relatively slim revenues. This is followed by production and sales for the sailing season in Europe in the coming two quarters, which is accompanied by earning the essential contribution margins.

In this fiscal year the seasonal factors described above will be overshadowed by a change for the worse in the market climate. Incom-

ing orders have correspondingly decreased significantly in comparison to last year. Moreover, orders are placed on considerably shorter notice than before, both by customers and dealers, while they tend to take their time with accepting delivery of, and paying for, their boats.

In the first six months of fiscal year 2008/09, we have had to absorb drops in turnover of 58.0 percent compared to the same period last year.

Reductions in our work force and quickly implemented measures to adjust capacities to demand will first have a significant impact on lowering costs in the second half of this fiscal year because of the time period for redundancy notice and follow up effects. The use of short-time working schedules has only led to disproportionately minor cuts in costs.

Although the ratio of the cost of materials to total operating revenues has improved by 1.2 percentage points to 73.6 percent relative to total revenues compared to last year, the ratio of personnel costs to total revenues rose by 19.5 percentage points to 33.3 percent.

With write-downs that have increased by EUR 0.5 million due to investments and Other operating expenses that have risen by EUR 0.4 million as well as Other income that have dropped by EUR 0.3 million, consolidated Group EBIT was minus EUR 9.8 million (minus EUR 0.2 million last year) for the period reported here.

Net interest income was minus EUR 0.4 million and led to earnings before taxes of minus EUR 10.3 million (EUR 0.5 million for the same period last year). Consolidated Group net earnings after taxes for this period amounted to minus EUR 7.5 million (EUR 0.3 million last year).

3. Investments and Financing

Necessary investments planned for our production facilities were successfully completed during the last fiscal year. In the current fiscal year an additional EUR 2.8 million has been invested, which was necessary to complete the major investment projects from fiscal year 2007/08. In particular this included machinery and plants, outdoor facilities as well as production forms.

In the period reported here, a start-up company was formed in France with EUR 0.3 million in share capital; the company will serve as a delivery and service centre to support our marketing activities in the Mediterranean area.

Due to the delays in taking delivery of boats sold to end-users caused primarily by economic and seasonal factors as explained above, funds have been tied up in trade receivables on the one hand and production of demonstrator boats for boat shows as well as standard vessels for our warehouse have on the other hand led to an increase in inventories. Both factors have tied up funds totaling EUR 4.3 million in the period reported here. We are expecting a substantial neutralisation of this increase in the second half of the fiscal year.

Our cash and cash equivalents have decreased by EUR 12.7 million to EUR 5.8 million due to the above mentioned investments, to the funds tied up in inventories and trade payables as well as to the disproportionately high retirement of short-term debt.

4. Outlook as well as Opportunities and Risks for Developments in HanseYachts AG for the Remainder of this Fiscal Year

The market climate has been marked by a drastic drop in demand in the face of sustained competition and a strong sensitivity to prices on the part of customers. A revival of our sales markets in the coming 12 months is not to be expected from our point of view. Incentives to promote sales, e.g., with optional equipment and discounts, have only met with limited success.

Continued rapid and comprehensive adjustment of production capacities as well as our organisational and cost structures to the changing market circumstances coupled with reductions in our work force are proving unavoidable.

Any additional weakening in our market structure can have an adverse impact on developments within our company because of the time lag involved in such adjustment measures' taking effect.

We are going to stay with our three-brand strategy, which will ensure us a comparatively solid position in the currently difficult market environment and a sound foundation for turnover. Should the markets revive, we expect a disproportionately high increase in demand for our products thanks to our strategy of serving the interests of a broad customer potential.

Additional information on the risk situation is contained in our Annual Report for 2007/08.

Owing to the overall developments in the economy, HanseYachts AG will not be announcing any forecasts with respect to turnover and earnings. For the entire fiscal year, HanseYachts' management is expecting turnover to decrease on the order of the current percentage figure. The expectation entertained until now that the negative results of the 1st quarter could be offset during the course of this fiscal year cannot be upheld. The measures implemented thus far to cut costs will be continued as planned.

With an equity to total capital ratio of 70 percent and ample liquidity, HanseYachts has a sound financial base despite the current sustained crisis on international financial markets.

5. Important Events after the End of the Period Covered by the Interim Report

There have been no events requiring mandatory reporting since the end of the period reported here.

CONSOLIDATED BALANCE SHEET (IFRS)

in EUR	31 January 2009	31 July 2008
ASSETS	90 086 042.43	100 052 183.68
Non-current assets	46 583 352.03	46 929 532.51
Intangible assets	8 633 109.96	8 770 706.63
Property, plant and equipment	34 285 374.67	37 368 792.93
Shares in associated companies and other financial receivables	53 856.95	64 057.40
Deferred tax assets	3 611 010.45	725 975.55
Current assets	43 502 690.40	53 122 651.17
Inventories	26 620 998.39	19 265 979.42
Trade receivables	5 074 352.41	8 089 901.77
Other assets	5 624 315.62	6 194 459.45
Income tax refund claims	5 090.32	114 934.97
Cash and cash equivalents	6 177 933.66	19 457 375.56
EQUITY AND LIABILITIES	90 086 042.43	100 052 183.68
Equity	63 184 310.87	70 703 168.47
Subscribed capital	6 400 000.00	6 400 000.00
Capital reserves	49 827 832.69	49 827 832.69
Retained earnings	147 126.16	147 126.16
Reserve for currency translation differences	161 979.30	191 154.54
Net retained profits	6 647 372.72	14 137 055.08
Non-current liabilities	10 481 904.91	6 233 916.18
Deferred tax liabilities	1 265 970.67	1 239 194.80
Non-current financial liabilities	9 215 934.24	4 994 721.38
Current liabilities	16 419 826.65	23 115 099.03
Other provisions	1 387 610.94	2 000 088.86
Current financial liabilities	2 734 486.00	2 315 465.95
Current finance lease liabilities	58 120.53	187 056.67
Other liabilities	9 995 932.42	16 232 730.06
Income tax liabilities	2 243 676.76	2 379 757.49

CONSOLIDATED INCOME STATEMENT (IFRS)

in EUR	1 August 2008 bis 31 January 2009	1 August 2007 bis 31 January 2008
Revenues	20 997 141.88	50 019 850.45
Increase (decrease) in		
work in progress and finished goods	7 278 345.53	5 236 398.76
Own work capitalised	681 692.62	820 666.12
Other operating income	1 085 307.07	1 382 711.37
Cost of materials	(21 320 492.51)	(41 958 685.41)
Personnel expenses	(9 627 706.64)	(7 717 312.67)
Other operating expenses	(7 050 385.84)	(6 668 472.26)
EBITDA	(7 956 097.89)	1 115 156.36
Depreciation	(1 878 666.13)	(1 339 704.68)
EBIT	(9 834 764.02)	(224 54.32)
Net financial costs	(440 667.55)	(711 976.16)
Earnings before income taxes	(10 275 431.57)	487 427.84
Income taxes	2 785 749.21	(168 514.76)
Consolidated net earnings	(7 489 682.36)	318 913.08
Earnings per share	(1.17)	0.05

Consolidated Cash Flow Statement (IFRS)

CONSOLIDATED CASH FLOW STATEMENT (IFRS)

in EUR	1 August 2008 bis 31 January 2009	1 August 2007 bis 31 January 2008
Earnings before interest and taxes (EBIT)	(9 834 763.90)	(224 548.32)
Amortisation, depreciation and write-downs	1 878 666.13	1 339 704.68
Interest paid (net)	(91 535.63)	509 297.26
Income taxes paid	(503 752.61)	(409 077.00)
Changes in inventories, receivables and other assets not related to investing or financing activities	(2 293 733.87)	(14 887 254.75)
Changes in liabilities not related to investing or financing activities	(6 958 580.42)	6 283 912.19
Cash flow from operating activities	(17 803 700.30)	(7 387 965.94)
Expenditures for shares in consolidated enterprises	0.00	(5 448 235.08)
Expenditures for shares in associated enterprises	(53 856.95)	0.00
Investments in		
intangible assets	(124 626.51)	(240 028.51)
property, plant and equipment	(2 630 680.25)	(14 794 921.65)
Public subsidies	2 878 424.00	0.00
Cash flow from investing activities	69 260.29	(20 483 185.24)
Repayments of liabilities from finance leases	(58 961.58)	(103 109.23)
Proceeds from bank loans raised	6 000 000.00	3 840 000.00
Repayments of bank loans	(921 203.33)	(394 174.24)
Cash flow from financing activities	5 019 835.09	3 342 716.53
Change in cash and cash equivalents	(12 714 604.92)	(24 528 434.65)
Cash funds at beginning of period	18 504 556.92	56 385 290.38
Cash and cash equivalents at end of period	5 789 952.00	31 856 855.73
Composition of cash and cash equivalents		
Bank balances	6 162 787.21	33 275 782.45
Cash in hand	15 146.45	12 097.96
Bank overdrafts	(387 981.66)	(1 431 024.68)
	5 789 952.00	31 856 855.73

Consolidated Statement of Changes in Equity (IFRS)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IFRS) FOR THE FISCAL YEAR FROM 1 AUGUST 2008 TO 31 JANUARY 2009

	EQUITY						
	Number of no-par value shares	Subscribed capital	Capital reserves	Retained earnings	Net retained earnings	Reserve for currency translation differences	Equity allocable to shareholders of HanseYachts AG
		EUR	EUR	EUR	EUR	EUR	EUR
1. August 2007	6 400 000	6 400 000.00	49 827 832.69	147 126.16	7 625 293.42	36 289.47	64 036 541.74
1) Net earnings after taxes for this period	0	0.00	0.00	0.00	318 913.08	0.00	318 913.08
2) Currency translation differences	0	0.00	0.00	0.00	0.00	48 401.24	48 401.24
31. January 2008	6 400 000	6 400 000.00	49 827 832.69	147 126.16	7 944 206.50	84 690.71	64 403 856.06
1. August 2008	6 400 000	6 400 000.00	49 827 832.69	147 126.16	14 137 055.08	191 154.54	70 703 168.47
1) Net earnings after taxes for this period	0	0.00	0.00	0.00	(7 489 682.36)	0.00	(7 489 682.36)
2) Currency translation differences	0	0.00	0.00	0.00	0.00	(29 175.24)	(29 175.24)
31. January 2009	6 400 000	6 400 000.00	49 827 832.69	147 126.16	6 647 372.72	161 979.30	63 184 310.87

1. GENERAL DISCLOSURES

HanseYachts AG with headquarters in Greifswald/Deutschland is a public limited company listed on the stock exchange and parent company of the HanseYachts Group. HanseYachts AG has been publicly listed on the General Standard of the Frankfurt Stock Exchange since March 2007.

The business activities of the Group basically consist of developing, producing and marketing sailing yachts under the HANSE and MOODY brand names as well as motorboats under the FJORD brand name. The Group concentrates its business activities in production, service and marketing enterprises in Germany, Poland, France, Norway and the U.S. Moreover, the Group's products are marketed via an autonomous, worldwide network of franchised dealers.

The abridged Group interim financial statements have been prepared in euros. Unless designated otherwise, all amounts will be rounded off to the nearest 1000 euros. Deviations of up to one unit (1000 EUR, %) are computational differences caused by rounding off.

The fiscal year encompasses a time frame from 1 August to 31 July of the respective following year and reflects the business cycle of the HanseYachts Group.

HanseYachts AG has been entered in the commercial register of the Stralsund District Court under HRB 7035. HanseYachts' address is: Salinenstrasse 22, 17489 Greifswald.

2. ACCOUNTING PRINCIPLES

These interim financial statements have been prepared in compliance with IAS 34 on "Interim Financial Reporting." These Group interim financial statements do not contain all of the information required for such statements and should thus be read in conjunction with the Group financial statements of 31 July 2008—which have been prepared in compliance with IFRS.

These statements have been subjected to an auditor's review in accordance with the auditing standards of the German Institut der Wirtschaftsprüfer (Auditors' Institute - IDW): Principles for Auditing Reviews of Financial Statements (IDW PS 900) in conjunction with Article 37w, Paragraph 5, of the German Securities Trading Act.

The accounting and valuation methods used in preparing the interim financial statements correspond to those utilised for the Group financial statements of 31 July 2008, with the exception of the following change:

The functional currency for TTS is the euro, as all financial and service transactions are largely conducted with HanseYachts AG in euros. Currency differences should be correspondingly carried as income in the financial statements. To facilitate matters, non-monetary items in TTS's financial statements have been converted as at the balance sheet date. The figures relevant for the Group financial statements were of minor materiality. The expenditures to acquire information required for conversion at historical exchange rates also bears no positive relation to the usefulness of this information for the overall disclosures of the Group financial statements. As at TTS the essential investments and refinancing have been completed, the non-monetary items in TTS's financial statements will be valued at historical exchange rates pursuant to the concept of functional currency. August 1, 2008 has been designated as the point in time for the switch and has been prospectively utilised.

3. SCOPE OF CONSOLIDATION

The ultimate parent company of the HanseYachts Group is HanseYachts AG. In addition to HanseYachts AG, four (31 July 2008: four) companies with headquarters in Germany as well as three (31 July 2008: three) enterprises headquartered abroad have been included in the Group financial statements.

To strengthen the marketing activities in our core markets, a delivery and service centre was formed via a start-up company in France as a wholly owned subsidiary. The company has been incorporated

4. SEASONAL INFLUENCES ON BUSINESS ACTIVITIES

By nature the HanseYachts Group's business is characterised by recurring seasonal factors. A fiscal year typically begins with a vacation close-down in August. Then comes the integration of new or redesigned models and production of boats for boat shows. This in turn initially causes shortfall in productivity that usually can be made up again in the 3rd and 4th quarters. This year we realised Moody 41 Classic and the Moody 45 Classic as well as a face-lift for the Hanse 470.

Name	%
Direct:	
Marina Yachtzentrum Greifswald GmbH, Greifswald	100.0 % (100.0% last year)
Hanse (Deutschland) Vertriebs GmbH & Co. KG, Greifswald	100.0 % (100.0% last year)
Verwaltung Hanse (Deutschland) Vertriebs GmbH, Greifswald	100.0 % (100.0% last year)
Yachtzentrum Greifswald Beteiligungs-GmbH, Greifswald	100.0 % (100.0% last year)
HanseYachts US, LLC, Georgia / USA (Hanse US)	100.0 % (100.0% last year)
Technologie Tworzyw Sztucznych Sp. z o.o., Goleniow / Polen (TTS)	100.0 % (100.0% last year)
Indirect:	
Fjord Boats AS, Asker / Norwegen (Fjord Boats)	100.0 % (100.0% last year)
Mediterranean Yacht Service Center SARL, Paris / Frankreich	100.0 % (n.a.)

as a limited company in accordance with French law with capital of EUR 0.3 million in cash; it took up its business activities in January 2009. This company was included in the Group financial statements for the first time as at 1 January 2009 and has been fully consolidated in accordance with the rules of IFRS 3. A discrepancy has not resulted from full consolidation.

In the period reported here, 25 percent of the shares were acquired in the Scandinavian Dragør A/S Yacht Centre headquartered in Dragør, Denmark, also by forming a start-up company. This corporation will be carried solely as a financial investment under financial assets at the acquisition cost.

The build-up of inventories of finished and unfinished products amounted to approx. EUR 7.2 million (EUR 5.2 million for the same period last year). These inventories were valued at their production costs.

The build-up of inventories corresponded to the usual seasonal cycles; however, these were mainly affected by the current crisis on financial markets. It is to be expected that there will be a significant neutralisation of this increase in the second half of this fiscal year.

5. SEGMENT REPORTING

IAS 14 calls for preparation of segment reporting for public limited companies listed on the stock exchanges in order to make the earning power and prospects for success as well as the opportunities and risks of the various business divisions of a corporate Group transparent. Segmentation should be accomplished according to business segments (primary reporting format) and according to geographical segments (secondary reporting format).

others, as sailing yachts and motorboats are manufactured on assembly lines. A breakdown based on turnover or on the number of boats produced would be arbitrary and would not furnish any information that could be useful in making decisions. A direct correlation is also not possible.

Consequently, information on segment results in accordance with IAS 34.16g has been omitted. Segment turnover has developed as follows:

	01/08/2008 - 31/01/2009 1000 EUR	01/08/2007 - 31/01/2008 1000 EUR
Turnover		
Sailing Yachts	18.354	47.606
New	18.279	47.414
Used boats	75	192
Motor Boats	1.973	2.204
New	1.879	2.120
Used boats	94	84
Marina	443	509
Misc.	396	450
Decreases in Revenues	(169)	(749)
	20.997	50.020

According to IAS 14, business segments can be defined by their distinguishable sub-activities, which are, for example, concerned with a certain product line and which differ from other sub-activities with respect to their risks and earnings. For segments identified in this way, the reports must show their turnover, earnings/losses, assets, debt, write-downs and investments.

The HanseYachts Group only breaks down turnover for its business segments. Information on other data required in accordance with IAS 14 for segment reporting according to business divisions has not been included for want of direct allocation and for want of reliable key items. Items such as earnings, assets, debt, write-downs and investments of the HanseYachts Group can thus not be reliably apportioned to the product lines for sailing yachts, motorboats and

6. LONG-TERM ASSETS

All essential investments were implemented in the past fiscal year. In the first two quarters of 2008/2009, the HanseYachts Group invested EUR 2.8 million.

These investments largely included software, exterior facilities for the recently constructed production halls and the remaining machinery and equipment for furniture prefabrication and production as well as production forms.

Depreciation for long-term assets amounted to EUR 1.9 million, disposals to EUR 0.2 million.

7. DEBT

To finance long-term investments, two variable-interest loans have been taken out, one for EUR 2.0 million and one for of EUR 4.0 million. The nominal values correspond to the market values. The variable interest rate for each loan was transformed into a fixed interest rate by means of interest rate swaps.

The loans will run for a term of 10 years and 7 years, respectively, and are secured by mortgages.

8. SIGNIFICANT BUSINESS EVENTS WITH RELATED PARTIES

Customer relations between HanseYachts AG and MSC Charter GmbH

Management board member Michael Schmidt maintains ongoing customer relations with HanseYachts AG via MSC-Charter GmbH, which he founded. In the period reported here from 1 August 2008 to 31 January 2009, HanseYachts AG realised turnover of EUR 1.1 million from selling boats to said MSC-Charter GmbH. As at the balance sheet date, HanseYachts AG had trade receivables of EUR 0.1 million and trade payables of EUR 0.1 million. All of HanseYachts's transactions have been conducted according to the usual market conditions

Supply relationship with HaCon GmbH

Matthias Harmstorf is a member of the HanseYachts Group's supervisory board and at the same time is the owner and managing director of HaCon GmbH, which in turn owns HaCon Sp.z o.o., from which HanseYachts is supplied with keels. From the business relations with HaCon Sp.o.o., which have been transacted according to benchmarking conditions, materials worth EUR 1 million were supplied in the period ending on 31 January 2009. As at the balance sheet date, the HanseYachts Group had trade payables of EUR 0.1 million owed to this related company.

License agreement between HanseYachts AG and Design Studio Judel/Vrolijk & Co – Engineering GmbH

Supervisory board member Rolf Vrolijk is the managing owner of Judel/Vrolijk & Co – Engineering GmbH. HanseYachts AG maintains essential contractual relations with this firm with respect to construction and design of sailing yachts currently produced

on its assembly lines. In this connection, the agreement contains a competitive restriction that limits cooperation of the respective other contractual partner with other design firms and/or with manufacturers of mass-produced sailing yachts.

From 1 August 2008 to 31 January 2009, the HanseYachts Group was invoiced for licensing fees of EUR 0.1 million by Judel/Vrolijk & Co, of which EUR 11 000 were carried as trade payables as at the balance sheet date. All of HanseYachts's transactions have been conducted according to the usual market conditions.

9. CONTINGENT LIABILITIES, OTHER FINANCIAL LIABILITIES AND LITIGATION

9.1. Contingent Liabilities

There are no contingent liabilities or other conditional liabilities owed to third parties.

9.2. Other Financial Liabilities

There were no significant liabilities resulting from investment undertakings already commenced prior to the balance sheet date.

Liabilities from investment projects already started and carried as at 31 July 2008 were fully realised in the first six months of 2008/2009.

9.3. Litigation

Neither HanseYachts AG nor any of its Group subsidiaries is involved in current or foreseeable legal or arbitration proceedings that could have a significant impact on the economic or financial status of the HanseYachts Group nor has done so within the last two years.

10. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

After 31 January 2009, there were no events that could have significantly affected the status of the assets, financial situation or earnings of the HanseYachts Group.

Greifswald, 16 March 2009

The Management Board

Michael Schmidt

Udo Potthast

Gregor Bredenbeck

Affirmation of Legal Representatives

To the best of our knowledge, we affirm that a true and fair view of the status, financial situation and earnings of the HanseYachts Group has been presented in accordance with the accounting principle to be applied for interim reporting of the interim Group financial statements. In the interim Group financial review the business activities including the results of said activities and the status of the Group are presented in such a way that a true and fair view is represented as well as the essential opportunities and risks of the likely developments of the Group for the remainder of the fiscal year are described.

Greifswald, 16 March 2009

The Management Board

Michael Schmidt

Udo Potthast

Gregor Bredenbeck

Key Data

Type of shares:	common stock with no par value (No par value share with an equal partial amount of the fixed nominal share capital; at least the present minimum par value of EUR 1.00 each)
Number of Shares:	6.400.000
Free float:	about 35,94%
IPO:	March 9, 2007
Issue price:	33,00 Euro
International Securities Identification Number (ISIN):	DE000A0KF6M8
Securities Identification Number (WKN):	A0KF6M
Common Code:	028245980
Ticker symbol:	H9Y
Stock Exchange, Segment:	Frankfurt, General Standard

Financial calendar - Business year 2008/2009

Date	Topic
30 September 2008	Press Release HanseYachts AG, Business Results for 2007/2008
30 October 2008	Annual report 2007/08
10 December 2008	Interim Report for the 1st Half of 2008/09
28 January 2009	General shareholders' meeting
26 March 2009	Six Months' Report 2008/09
17 June 2009	Interim Report for the 2nd Half of 2008/09

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