





Annual Report 2012/2013



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 Moody®



Dear Friends of the HanseGroup,

The overall economic situation in the area of our main sales volume, Europe, still remains demanding. In this regard, the Northern European and overseas economies have become more stable than those in Southern Europe. The intensive marketing activities of the HanseGroup as well as its presentation of existing and in particular its new, high-priced models and facelifts have nevertheless contributed to a comparatively more positive development so that the HanseGroup has been able to expand its market share once again in fiscal year 2012/13 despite the weak overall market climate.

This currently healthy level of incoming orders can primarily be attributed to successful implementation of our multiple-brand strategy and development of trend-setting models tailored to the needs and wishes of our markets. A comprehensive presentation of our palette of models, including the newly developed ones, at the international boat shows has made a major contribution. Introduction of the new Dehler 38 as well as the Hanse 345 and Hanse 575 models launched last autumn have shown that we are pursuing a proper course with our latest developments. It is primarily these models that have been booked up for several months in advance.

Implementation of restructuring measures has led to positive impulses in fiscal year 2012/13 so that a significantly improved EBIT has been achieved despite the low level of turnover compared to the same period last year. Substantial reductions in costs have been achieved by closing down deficit-plagued foreign subsidiaries and by concentrating production at our facilities in Greifswald (Germany) and

Goleniow (Poland) as well as by obtaining better procurement conditions by initiating new solicitations for bids with nearly all of our suppliers.

For fiscal year 2013/2014, we are not expecting any substantial signs of recovery in the market for water sports. However, we continue to see positive market opportunities in the countries along the Eastern Adriatic coast, in Asia, the US as well as in South America. In Northern Europe we are expecting demand to remain unchanged at the current low but stable level. Demand in the Southern European countries has reached such a low level that a further drastic slump in that market is not very likely any more. On the contrary, individual orders from this region have made us hopeful of a slight recovery.

Thanks to implementation of measures to increase production efficiency and to optimise product development, even if turnover revenues remain at the same level as last year we are expecting significant improvements in our results and considerably more positive earnings before interest, taxes, depreciation and amortization (EBITDA) for the coming fiscal year 2013/14.

Our employees have performed with extraordinary commitment, tremendous motorboat and sailing savvy and enormous diligence for our enterprise at all of the HanseGroup's venues worldwide. For this reason, we would like to offer each and every one of them our heartfelt thanks for their efforts and contributions.

Faithfully yours from Greifswald



DEAR SHAREHOLDERS,

In the period under review from 1 July 2012 to 30 June 2013, the supervisory board was regularly and intensively involved with the HanseGroup's status and development, and fully performed the duties and competencies incumbent upon it by law and pursuant to the HanseGroup's Articles of Incorporation with regard to advising and supervising the management board. For this purpose, regular exchanges of information with the management board have been necessary as well as supervision of the HanseGroup's management. Cooperation between the management board and the supervisory board has been characterized by a very intensive exchange of information and opinions. The supervisory board has been involved in all essential decisions made by the management board.

The management board regularly informed the supervisory board in oral and written reports—even outside of board meetings—in particular about the HanseGroup's developments in turnover and earnings, its financial status, its risk situation and its risk management as well as the strategic direction of the HanseGroup, its policies on brands and models as well as about personnel questions. These aspects were discussed and reviewed with the HanseGroup's management board.

In fiscal year 2012/13, 12 meetings of the entire supervisory board were held, 6 took place with the management board in attendance. The supervisory board was also informed of any events of particular significance occurring between these meetings. The supervisory board has been informed about current developments in business on a monthly basis.

The focus of the deliberations at each meeting of the management and supervisory boards was on the effects of the ongoing economic crisis on developments in results and liquidity of the HanseGroup and its subsidiaries, on financing strategies, the reactions of the HanseGroup to the changed situation on the market, for example, on the policies regarding models and development projects,

including the decisions and measures resulting therefrom as well as corporate planning, including personnel planning. Planned/actual deviations have been explained to the supervisory board in detail and jointly analysed by the management and supervisory boards.

After it was newly elected, the supervisory board held its constitutive meeting on 11 July 2012 and deliberated about the current business situation as well as about HanseGroup's financial status. It resolved to approve the budgets for 2012/13 and 2013/14, to examine proposed capital measures as well as to appoint Mr Sven Göbel (Dipl. Wirtschaftsingenieur) to the management board as at 11 July 2012.

At its meeting on 01 August 2012 the supervisory board deliberated about changing the declaration of representation of management board member Sven Göbel and adopted a resolution for this purpose.

The focus of the meeting on 24 August 2012 was concentrated on deliberations about the liquidity situation of the HanseGroup, a financing concept proposed by the management board and individual measures for implementing it as well as about making changes in the financial calendar. The supervisory board thus adopted a resolution to approve the financing concept proposed by the management board and individual measures for implementing it as well as to make changes in the financial calendar.

The object of the audit committee meeting on 24 September 2012 was particularly devoted to deliberations on the annual and consolidated financial statements of the HanseGroup for fiscal year 2011/12.

The supervisory board meeting on 26 September 2012 deliberated on and adopted a resolution to approve the sale of the Terne brand and individual assets.

At the supervisory board meeting on 26 October 2012 the report of corporate governance was approved.

The object of the supervisory board meeting on 30 October 2012 was to deliberate on and adopt a resolution to examine and finalize the annual financial statements and the consolidated financial statements for the shortened fiscal year 2011/12, the invitation to the annual shareholders' meeting in December 2012 and the termination agreement of management board member Dr. Barth.

The meeting held on 12 December 2012 was devoted to extending the appointment of Dr. Jens Gerhardt to the management board and a resolution was adopted to extend said appointment. Moreover, the supervisory board approved the sale of a Dehler 29 to board member Sven Göbel.

At its meeting on 23 April 2013 the supervisory board deliberated about the issues and approved a change in the terms of a consulting contract with Aurelius Beteiligungsberatungs AG as well as the sale of two pieces of real estate belonging to the HanseGroup.

Within the framework of adopting a resolution on consulting projects with Aurelius Beteiligungsberatungs AG, board chairman Gert Purkert abstained from participating in the voting on such consulting projects in order to preclude possible conflicts of interest.

The focus of the meeting on 5 June 2013 was ultimately placed on deliberations about, and approval of, operative measures regarding policy on models and development as well as deliberations on the Marketing and Sales Divisions and the most likely figures for the annual financial statements.

At the meeting held on 24 July 2013 deliberations were conducted about a capital increase from capital authorised in 2011 and approval was given for this measure.

The appointment of Mr Stüpfert to the management board of HanseGroup ended with expiration of the time limit on 30 June 2013. At the supervisory board meeting on 19 August 2013, he was officially dismissed from his post as a member of the management for the sake of good order – effective immediately.

The audit committee convened twice during the period reported here. The object of the supervisory board meeting on 24 September 2012 was to deliberate on the consolidated and annual financial statements of the HanseGroup for fiscal year 2011/12 with the auditors in attendance.

The object of the meeting of the audit committee on 30 October 2012 was also the consolidated and annual financial statements of the HanseGroup for fiscal year 2011/12. Furthermore, the object of the deliberations also involved a proposal for designating the auditors.

On 30 October 2012 the supervisory board conferred about, and resolved to extend, an invitation to the general shareholders' meeting in December 2012.

In the past fiscal year, the supervisory board of the HanseGroup consisted of three members, Gert Purkert, Dr. Luzi Rageth and Dr. Frank Forster. Mr Purkert is the chairman and Dr. Forster is the vice-chairman of the supervisory board.

Dr. Rageth is the chairman of the audit committee, to which Mr Purkert and Dr Forster belong as additional members. The audit committee is obliged to perform a preliminary audit of the annual financial statements and to prepare a resolution for the supervisory board on finalizing said statements. The supervisory board has no additional committees.

In the period under review, management board member Dr. Peter Barth stepped down with expiration on 31 October 2012, as did management board member Mr Stüpfert with

expiration on 30 June 2013. In fiscal year 2012/13 Dr. Barth was responsible for technical matters (CTO) until his departure from the HanseGroup, Mr Stüpfert was responsible for financial affairs (CFO) until his departure from the HanseGroup, and Dr. Gerhardt was responsible for marketing (CMO). The Technology Division was taken over by Mr Göbel after the departure of Dr. Barth, while Mr Göbel also took over the Finance Division after the departure of Mr Stüpfert.

Ebner Stolz Mönning Bachem GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft were appointed as auditors at the general shareholders' meeting on 10 December 2012 and were then commissioned by the supervisory board.

The annual financial statements of HanseGroup for the period of 1 July 2012 until 30 June 2013 have been prepared in accordance with the rules of the German Commercial Code (HGB). The consolidated financial statements for the period of 1 July 2012 until 30 June 2013 have been prepared in accordance with International Financial Reporting Standards (IFRS) as well as the respective management reports appertaining thereto have been audited by Ebner Stolz Mönning Bachem GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft. All have been issued an unqualified auditors' opinion. At the meetings on 30 September 2012 the supervisory board and the audit committee had the key results of the audit explained to them by the auditors. Acceptance of the key points in the audit and a preliminary discussion of the results of the audit of the financial statements have been conducted in place of the audit committee by the chairman of said committee and the auditor.

The supervisory board has examined the annual financial statements and consolidated financial statements prepared by the management board as at 30 June 2013, while taking into account the auditors' reports submitted by Ebner Stolz Mönning Bachem GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft

and the respective management reports appertaining thereto, and approved them at its meeting on 30 September 2013. Those annual financial statements have thus been finalized.

The report of the management board on relations with affiliated enterprises in fiscal year 2012/2013 has also been examined by external auditors and issued an unqualified auditors' opinion that the factual information in said report is correct and the contribution of the enterprises was not unduly high in light of the legal transactions indicated in the report. The supervisory board has examined the report of the management board in particular with regard to correctness and completeness. In accordance with the finalizing results of its own examination, the supervisory board has accepted the results of the audit conducted by the auditors. No objections have arisen to the concluding statement contained in the report of the management board on relations with affiliated enterprises.

The members of the supervisory board would like to thank the management board for its constructive cooperation and would also like to thank the shareholders for their confidence in HanseGroup. The supervisory board would like to thank everyone involved for their enormous commitment and dedication.

Greifswald, 25 October 2013

Gert Purkert

Chairman of the Supervisory Board

DECLARATION OF THE MANAGEMENT BOARD OF HANSEYACHTS AG IN ACCORDANCE WITH ARTICLE 289a OF THE GERMAN COMMERCIAL CODE (HGB):

This declaration of the management board contains a declaration of compliance, details on practises of corporate management and a description of the workings of the management and supervisory boards. HanseYachts AG is aiming to ensure that the presentation of management remains lucid and meaningful.

The management and supervisory boards of HanseYachts AG are committed to the German Corporate Governance Code (DCGK) and identify with the goals of this Code to promote good and responsible corporate management, oriented to that which benefits the shareholders, employees and customers. This fact is evident from their policy of responsible management and supervision of HanseYachts AG based on maximizing profitability. This also entails transparently presenting its corporate principles and developments in its business, with the aim of ensuring and reinforcing the confidence of customers, business partners and investors in HanseYachts. Parameters of proper corporate management continue to be close and efficient cooperation between the management board and the supervisory board, regard for shareholders' interests, proper corporate communication, correct accounting and auditing as well as responsible risk management.

HanseYachts AG regards corporate governance as an ongoing process and will continue to follow future developments attentively and make use of them accordingly.

DECLARATION ON THE GERMAN CORPORATE GOVERNANCE CODE (DCGK) IN ACCORDANCE WITH ARTICLE 161 OF THE GERMAN STOCK CORPORATION ACT (AKTG)

Since its last declaration of compliance on 26 October 2012, HanseYachts AG has complied, and will continue to comply, with the recommendations of the Government Commission

on the German CGC in the version of 13 May 2013 throughout the period reported here, with the exception of the following deviations and will continue to do this in future with the exception of the following non-conformance:

- There has been no compliance with the recommendations under Section 3.8 of the German CGC (Deductible in the D&O Insurance for the supervisory board as well) nor will there be any in future. A deductible has not been stipulated for the supervisory board, as in the opinion of HanseYachts a deductible would not be appropriate to influence the motivation and responsibility, with which the members of said supervisory board approach their duties. Moreover, a deductible is not considered commensurate due to the relatively small amount of remuneration paid to members of the supervisory board.
- The recommendation under No. 4.2.1 of the German CGK (Election and/or Appointment of a Chairman or Spokesperson (CEO) of the Management Board) has been pursued to the effect that both members of the management board have been designated as spokespersons of said management board as both said management board as well as the supervisory are of the opinion that all members of this management board should be on fundamentally equal terms.
- The recommendations in accordance with No. 5.1.2., Paragraph 2, Sentence 3, and No. 5.4.1., Sentence 2 of the German CGC have not been observed and will not be observed in future in so far as an age limit for members of the management and supervisory boards should be fixed. A generalised age limit does not represent a suitable criterion for quality in the opinion of HanseYachts AG and would unnecessarily restrict the search for particularly qualified and experienced candidates. Moreover, the present age structure of the directors and officers (D&O) would not make fixing such an age limit imperative.
- There has been no compliance with the recommendations under No. 5.3.3 of the German CGC (Formation

of a Nominating Committee) nor will there be any in future. The supervisory board considers it preferable to present the nominations to the general shareholders' meeting for election to the supervisory board in the overall supervisory board in order to permit the diversity already present in said supervisory board to flow into such nominations. Moreover, in the meantime HanseYachts AG's supervisory board only consists of three members so that forming committees would usually not be very advantageous.

- In the past the recommendations in accordance with No. 5.4.1, Sentences 2 to 4 of the German CGC (Defining Concrete Goals for the Composition of the Supervisory Board) have not yet been pursued, as a resolution on the goals to be defined has not yet been adopted. The reason for this is that in the past replacement of the members on the supervisory board has not yet permitted a corresponding consensus of opinion to emerge. In the past the goals to be defined have thus not yet been published in HanseYachts' Corporate Governance report nor will they be contained in the next Corporate Governance report. Nevertheless the supervisory board intends to formulate corresponding goals in future and then to include them in subsequent Corporate Governance reports. However, there is no timetable for this as yet
- The recommendation contained in No. 7.1.2 of the German CGK to make the consolidated financial statements publicly accessible within 90 days after the end of a given fiscal year has not been observed. HanseYachts AG will nevertheless accept this recommendation in future.

DISCLOSURES ON CORPORATE MANAGEMENT PRACTISES

HanseYachts makes use of any and all legally stipulated corporate management practises. There are no additional guidelines, such as ethical standards or labour and social standards that are valid company-wide.

PROCEDURES OF THE MANAGEMENT AND SUPERVISORY BOARDS

The supervisory and management boards of HanseYachts AG cooperate closely and trustfully with each other. All relevant questions relating to the business situation and developments, financing as well as strategy and planning are discussed between the two management entities.

The supervisory board advises and monitors the management board in managing the HanseGroup and reviews all major business transactions by examining the relevant documents on the basis of the German Stock Corporation Act and the Articles of Incorporation. The supervisory board is elected at the general shareholders' meeting. The management board is appointed by the supervisory board. The supervisory board decides on the number of members on the management board and determines the chairman (CEO). In the internal bylaws for the management board, the supervisory board stipulates a catalogue of transactions requiring board approval as well as a schedule of responsibilities. The supervisory board acts on the basis of its own rules of procedure.

The supervisory board finalizes the annual financial statements and approves the consolidated financial statements. Each year the chairman of the supervisory board explains the activities of said board in his report to the shareholders and at the general shareholders' meeting. The supervisory board of HanseYachts AG consists of three members. There is also an audit committee that is formed by one member of the supervisory board. In addition to advising on examining the annual financial statements, its duties include discussing corporate planning.

The management board currently consists of two members. The management board runs the company on its own responsibility. Individual areas of responsibility are stipulated in the schedule of responsibilities. The heads of the various business units report to the management board about their respective departments/divisions and bear responsibility for

the results of their respective units. The management board reports to the supervisory board comprehensively about planning and developments in business as well as the status of the HanseGroup, including risk management, at regular intervals and in timely fashion, both in writing and at regularly scheduled meetings. The management board takes part in all of the meetings of the supervisory board, reports orally and in writing on the individual items on the agenda as well as on drafts of resolutions and responds to questions of individual members of the supervisory board.

Drafts of resolutions are conveyed to the members of the supervisory board in writing prior to the respective meetings. The possibility of drafting resolutions by circulation procedure is used relatively seldom and then only in cases that are particularly urgent.

REMUNERATION OF THE MANAGEMENT BOARD (REMUNERATION REPORT) PURSUANT TO NO. 4.2.5 OF THE GERMAN CGC

Total remuneration for the management board has been fixed at a commensurate level by the supervisory board. Criteria for determining this commensurate level are, in particular, the responsibilities of the respective member of the management board, personal performance, the situation of the economy, the Company's success and future prospects as well as the usualness of such remuneration in light of that, which is paid in comparable companies and the salary structure otherwise applicable within HanseYachts.

Remuneration for the members of the management board is determined by the supervisory board, which regularly assesses the commensurateness of said remuneration. This remuneration comprises a fixed and a variable component. The variable components are dependent on achieving targets that are fixed annually. There is a ceiling on the variable components. The variable remuneration component is paid once annually, depending on the results of the past fiscal year relative to achievement of the respective targets agreed upon. Moreover, in case of extraordinary performance

the supervisory board can grant the management board a special bonus, which also has a ceiling. For the fiscal year reported here, the management board has received variable remuneration components. No arrangements have been made for pensions.

In the fiscal year that ended on 30 June 2013, total remuneration for the entire management board, including use of company vehicles and insurance premiums, amounted to EUR 939K (EUR 888K last year). EUR 619K thereof covered fixed salary components (EUR 498K last year) and EUR 80K for variable salary components (EUR 0 last year) as well as EUR 240K thereof for severance payments to former members of the management board (EUR 390K last year).

At two-year intervals, the supervisory board reviews total remuneration paid to the management board, considering in particular the earnings situation of HanseYachts AG and the performance of individual members, and adjusts said total remuneration accordingly.

Furthermore, HanseYachts has taken out liability insurance for pecuniary damages for directors and officers (D&O insurance) with a commensurate deductible to be borne by them.

In the event of revocation of the appointment of a member to the management board, the employment contract, and hence payment of remuneration and other benefits provided by HanseYachts AG, shall end on the day, on which said revocation shall have been received. Should the office as a member of the management board expire or be eliminated due to, or as a result of, a change in corporate form or a restructuring measure, HanseYachts or a legal successor thereof shall have, inter alia, the option of terminating the employment contract of the members of the management board by giving 6 months notice. If a member of the management board resigns in such a case, any severance payments shall be limited to his or her income for 6 months. In the event of a change of control, the management board shall have the right to resign within 2 months after said change of control goes into effect by giving one month's notice and to

step down from their posts on the termination date as well as to demand severance pay amounting to their salary for 12 months as compensation for the loss of their employment.

At the general meeting, the chairman of the supervisory board will also inform the shareholders of HanseYachts AG about the basic principles of the remuneration system and any amendments to it.

REMUNERATION OF THE SUPERVISORY BOARD PURSUANT TO SECTION 5.4.6 OF THE GERMAN CGC

Remuneration for members of the supervisory board is determined by the shareholders at the general meeting and has been regulated in Article 14 of the Articles of Incorporation of HanseYachts AG. In addition to reimbursement for expenses, first of all each member of the supervisory board receives fixed annual remuneration of EUR 6000, payable at the end of each fiscal year. In addition each member of the supervisory board receives variable remuneration of EUR 50 for each cent, by which consolidated earnings after taxes per share exceed EUR 1.30. The chairman of the supervisory board receives three times the normal fixed and variable remuneration; the vice-chairman and heads of commissions receive two times the above-mentioned amounts. For the fiscal year reported here, as in previous years, the supervisory board did not receive any variable remuneration components.

SHAREHOLDINGS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD PURSUANT TO SECTION 6.3 OF THE GERMAN CGC

With one exception, the respective members of the management and supervisory boards of HanseYachts AG do not have any shareholdings above 1 % of the stock issued by their company that would require disclosure within the scope of Section 6.3 of the German CGC; supervisory board chairman Gert Purkert holds 4.91 % of the shares in Aurelius AG, which in turn directly holds 15 % of the stock in

HanseYachts AG. In addition, Aurelius AG owns 100 % of the shares in the HY Beteiligungs GmbH, which in turn holds 59.13 % of the stock in HanseYachts AG. The two management board members' total holdings of the stock issued by HanseYachts AG amounts to 1.28 %, while board members Sven Göbel and Dr. Jens Gerhard each holds an equal number of shares (0.64 %).

HanseYachts AG publishes extensive information about the shareholdings and stock transactions of the management and supervisory boards. Stock transactions falling under Article 15a of the Securities Trading Act on mandatory disclosure of Directors' Dealings have always been appropriately published on the website of HanseYachts AG.

ADDITIONAL INFORMATION ON CORPORATE GOVERNANCE

Transparency and the requirement to inform shareholders and the public quickly and comprehensively have a high priority at HanseYachts AG. Consequently, current developments and vital company information are made available in real time on HanseYachts AG's website (<http://www.hanse-group.com>). In addition to information on corporate governance, the website also publishes details about the management board, the supervisory board and the general shareholders' meeting, legally required company reports (annual financial statements, six-month financial reports and interim reports from management), a financial calendar including all key dates as well as ad hoc press releases and mandatory disclosure of notifiable securities transactions (Directors' Dealings).

Greifswald, 28 October 2013

HanseYachts AG

The Supervisory Board The Management Board



CONSOLIDATED MANAGEMENT REPORT

1, BUSINESS ACTIVITIES AND GENERAL BUSINESS CONDITIONS

1.1 Overall Economic Situation

The HanseYachts AG Group (HanseGroup for short) produces and markets sailing and motor yachts worldwide, while the European market, and in particular Germany, constitute the most important markets. In the past fiscal year, economic growth in the essential, relevant markets has been overshadowed by weak demand brought about by the European sovereign debt crisis and lower economic growth in America and Asia. For the rest of 2013 as well as for 2014, moderate growth is expected in the world economy.¹

1.2 Developments in Our Sector and Market Position

Until 2008 the boat sector flourished due to high demand caused by the dynamic growth in the economy. In 2009 the crunch came with drastic drops in turnover in conjunction with the worldwide financial and economic crisis, followed by stabilisation at a lower level in 2010 and 2011 and further declining demand in 2012 caused by the Euro sovereign debt crisis. Recovery has not come about in the boat sector in 2013 and a significant improvement is not to be expected in the coming fiscal year. The situation has been aggravated by introduction of additional financial burdens for yacht owners, such as, for example, the so-called "luxury tax" in Italy or supplementary insurance in Denmark.² Rather, it can be assumed that the market for yachts will stagnate at the current level and will only then succeed in showing substantial growth rates again when the economic crisis has been resolved in the Mediterranean coastal countries and the rest of the world economy has achieved stable growth. Turkey has been setting positive regional accents in the Mediterranean region with its demand for high-priced sailing yachts.

For the HanseGroup the US, Western and Northern Europe as well as Australia and New Zealand are established boat markets, which in the estimation of the HanseGroup will still be able to show growth rates also in future. Above-average

growth could even be achieved in Eastern Europe, the Eastern Mediterranean, in Asia and in parts of South America.

Both the market for sailing yachts as well as the market for motor yachts have been severely fragmented. A number of smaller and a few larger suppliers are active in both markets, while the market for motor yachts is more severely fragmented than that for sailing yachts. Over the medium-term, a consolidation will take place in both markets, while in Germany and the rest of Europe this concentration process has already begun. The number of manufacturers has decreased because of takeovers and closedowns of production facilities and smaller manufacturers have abandoned the market. There is marked competition between the remaining boatyards that has been particularly reflected in competition for the best value for money.

The HanseGroup greets the market with an advanced and regularly upgraded palette of products, which is tailored to the needs and wishes of customers for individuality and diversity in the respective yacht variants, while those needs and wishes of customers can be varied and can differ widely depending on the region. Only with our production-quality manufacturing and modular construction, which can match such a diversity of variants, and with a clearly defined constellation of brands will a manufacturer be able to position itself sustainably and successfully on the market.

The HanseGroup manufactures and markets sailing yachts under the HANSE, MOODY, DEHLER, VARIANTA brands and produces motorboats under the FJORD brand.

In the sailboat sector, we offer comfortable family yachts under our HANSE brand, under the MOODY brand luxurious deck-saloon and classic yachts and with our DEHLER brand high-quality performance cruisers. The VARIANTA brand stands for sailing in its most pristine form.

In the motorboat sector we have consciously been focusing on a particular market niche with the cool and minimalist design of the FJORD brand. The seaworthy motor yachts

have been conceived to be used close to shore and can be utilised for a turn of several days.

Our multiple-brand strategy has permitted us to create distinctions between the brands. The products can thus be clearly positioned and have their own distinct identity within the brand itself. Thanks to our multiple-brand strategy, we can achieve better capacity utilisation and greater potential for adaptability to changing market conditions and customer needs and wishes. With our brands we cover both the broad customer base as well as the key niches. By using variably combinable modules for the interiors, colour schemes, textiles and a wide variety of optional equipment, end-customers are given the possibility of adapting their yachts to their individual needs and tastes.

The vertical range of our manufacturing capacity extends from producing fibre-reinforced, high-performance composites and furnishings to final assembly of our boats. Thanks to the proximity of the HanseGroup's production facilities to the Baltic coast, not only are shakedown cruises possible to test new products under actual conditions, but it also means that customers can be given the opportunity to pick up their new yachts themselves at the harbour next to the boatyard.

Our products number among leisure and luxury goods. Demand for such products reacts sensitively to economic fluctuations and as in previous years it has been marked by a high degree of sensitivity to price. Despite the weak economic climate, the HanseGroup's market share has at least been able to hold its own in fiscal year 2012/13 in the opinion of the management board. Nevertheless, as in the previous fiscal year, there have been positive signs from Northern and Central Europe, from Southeastern Europe (especially in Turkey) as well as from Australia and the US. In Southern Europe, the sales volume has decreased due to market conditions.

1.3 Our Corporate Profile

The HanseGroup numbers among the world's three largest manufacturers of seagoing sailing yachts. Its products are well established on the market and have a long history; in the Sailing Yachts Division, the "Hanse" has been on the market for 20 years, "Dehler" for more than 50 years and "Moody" for nearly 80 years. The motor yachts of the "Fjord" brand have also been on the market for nearly 50 years. These yachts are sold via franchised dealers and sometimes via our own marketing enterprises. Our yachts are almost exclusively produced according to the personal orders of our end-customers, which are passed on to the HanseGroup by our franchised dealers.

Research and Development and central coordination of marketing including media and boat show planning are all performed at our production facility in Greifswald. Essential procurement for the HanseGroup is also provided there as well as overall coordination of distribution and administrative management. Additional production facilities are also located in Goleniow, Poland. We also have marketing enterprises in Germany and the US.

1.4 Organisation and Group of Companies Consolidated

HanseYachts AG is the parent company of the HanseGroup. It exercises centralised authority as a holding company and manages the majority of the HanseGroup's business operations. HanseYachts AG holds 100-% participations in all of its subsidiaries, either directly or indirectly. The subsidiaries include Hanse (Deutschland) Vertriebs GmbH & Co. KG and its fully liable partner, Verwaltung Hanse (Deutschland) Vertriebs GmbH, Dehler Yachts GmbH, HanseYachts US, LLC in the US, Technologie Tworzyw Sztucznych sp.z o.o. in Poland, HanseYachts Technologie und Vermögensverwaltungs GmbH as well as Yachtzentrum Greifswald Beteiligungs-GmbH with its Fjord Boats AS in Norway and Mediterranean Yacht Service Centre SARL in France.

HanseYachts AG and its subsidiaries have been included in the financial statements of Aurelius AG in Grünwald.

HanseYachts AG is publicly listed on the General Standard of the Frankfurt Stock Exchange.

1.5 Business Developments

In today's weak market climate that has remained unchanged, we succeeded in obtaining turnover of EUR 80.9 million in fiscal year 2012/13, which was around 7 % below a comparable figure for the same 12-month period last year. To realize our sales-volume targets and as a reaction to recommended sales prices of other producers in the market, as in previous years enormous marketing efforts have been necessary, which were in particular reflected in financial incentives for buyers such as discounts or improved furnishings for their boats. In the management board's opinion, our marketing activities as well as our presentation of existing and in particular new, high-priced models and facelifts have nevertheless contributed to a comparatively more positive development in relation to the overall market. We have thus taken part in nearly 150 boat shows in 46 countries either directly or indirectly via our network of dealers and have successfully presented our palette of products.

Implementations of restructuring measures have led to positive impulses in fiscal year 2012/13 so that a significantly improved EBIT has been achieved despite the low level of turnover. Substantial reductions in cost have been achieved by closing the production facility for Dehler yachts in Meschede-Freienohl and by relocating this production to our facilities in Greifswald and Goleniow, Poland, and by closing down the deficit-plagued subsidiaries in France and Norway as well as obtaining better procurement conditions by initiating new solicitations for bids with nearly all of our suppliers. In addition, hidden reserves were obtained by selling off assets not essential to operations. As the restructuring program has been planned to run for at least two years, and the measures thus resolved have been geared to sustainability, certain restructuring projects, such as, for example,

better procurement conditions or consistent improvement of production efficiency, will first have an impact on earnings in the coming fiscal year.

On the other hand, we have once again invested heavily in developing new models during the entire fiscal year. Moreover, the new design line has continued to be consistently developed with the highly successful Hanse 575 and the Hanse 345. The new models offer even more generous spaciousness together with the HanseGroup's customarily excellent sailing features and modern designs in its typical loft style. The Hanse 345 was selected as the Yacht of the Year in Italy in 2012. The Dehler 38 that was newly presented in 2013 was nominated for the title of "European Yacht of the Year" in the category of "Performance Cruisers".

Additional new developments and/or facelifts for the coming fiscal year are in preparation and even now have been reaping very positive feedback, together with the Hanse 445, Hanse 505, Moody 54 Deck Saloon and Varianta 37, which has been shown by the healthy number of incoming orders for these models.

Presentation and placement of a complete and advanced palette of models at all major autumn boat shows as well as in the press will form an essential basis for successful marketing in the coming season. Consequently, we have focused our efforts on completing our exhibition models during the initial weeks of the new fiscal year in order to be able to present our new products at the major autumn and winter boat shows.

2. EARNING, FINANCIAL POSITION AND NET ASSETS

2.1 Earnings

The HanseGroup has a fiscal year that deviates from a calendar year, from 1 July to 30 June of the respective following year. The previous shortened fiscal year 2011/12 (= last

year) encompassed the period under review from 1 August 2011 to 30 June 2012 and was thus only an 11-month period. For this reason, we have compared the figures from the fiscal year 2012/13 next to the comparative figures from the previous fiscal year, in particular with a corresponding 12-month time frame from the previous fiscal year from 1 July 2011 to 30 June 2012 (= comparable previous year).

from last year. Here the lower procurement prices, higher sale prices (inter alia, thanks to improved ratios for equipment and furnishings) as well as the contribution margins realised by reducing inventories have primarily made themselves felt. Moreover, the previous year was affected by heavy charges against earnings in conjunction with used boats. We had gross profits (total operating revenues minus

in 1000 EUR	Comparison with last Year				Last Year
	1.7.2012 - 30.6.2013	1.7.2011 - 30.6.2012	Deviation absolute	in %	1.8.2011 - 30.6.2012
Turnover	80.933	87.085	-6.152	-7%	73.275
Increase / Decrease in inventories in finished and unfinished products	-3.856	367	-4.223	-1151%	5.047
Other own work capitalized	1.115	1.998	-883	-44%	1.472
Total operating revenues	78.192	89.450	-11.258	-13%	79.794
Other operating income	2.160	2.783	-623	-22%	2.082
Cost of materials	-46.068	-58.972	12.904	22%	-52.615
Personnel costs	-18.260	-20.988	2.728	13%	-19.093
Other operating expenses	-15.782	-18.178	2.396	13%	-16.881
EBITDA	242	-5.905	6.147	104%	-6.713
Depreciations	-4.587	-4.995	408	8%	-4.650
EBIT	-4.345	-10.900	6.555	60%	-11.363
Net earnings	-902	-1.115	213	19%	-981
Net earnings before taxes	-5.247	-12.015	6.768	56%	-12.344
Income taxes	-61	-812	751	92%	13
Consolidated net earnings after taxes	-5.308	-12.827	7.519	59%	-12.331

With a boat market whose overall tendency is in decline, compared to last year turnover has only decreased by 7 % to EUR 80.9 million thanks to better equipment and furnishings for the boats and higher-priced yachts (comparable period for the previous year: EUR 87.1 million; previous year: EUR 73.3 million). Total operating revenues dropped by 13 % from EUR 89.5 million to EUR 78.2 million as a result of drastically reduced inventories.

With materials costs of EUR 46.1 million, our ratio of cost of materials (59 %) to total operating revenues (turnover revenues, fluctuations in inventories, other own work capitalised) was 7 percentage points above the comparable level

cost of materials) of EUR 32.1 million (comparable previous year: EUR 30.5 million). The gross profit rose significantly from 34 % of total revenues to 41 % of total revenues.

Other operating income from fiscal year 2012/13 contains profits from the sale of assets not essential for operations (EUR 0.5 million; EUR 0.7 million last year) and profits from reversal of provisions (EUR 1.0 million; EUR 0.3 million last year). At EUR 2.2 million, Other operating income was below the level of the comparable previous year by EUR 0.6 million.

Personnel costs of EUR 18.3 million have dropped by 13 % compared to the previous year. In relation to total operating

revenues, personnel costs have remained unchanged at 23 %. The drop in personnel costs can primarily be attributed to a decrease in the number of employees in the HanseGroup from an average of 756 to 687 persons, which largely resulted from closing down the production facility in Meschede-Freienohl. Personnel costs were charged, inter alia, for severance payments made to former members of the management board (EUR 0.4 million) as well as to employees in conjunction with restructuring measures already initiated (EUR 0.5 million).

At 20 % the ratio of Other operating expenses to Total operating revenues remained at last year's comparable level. In absolute terms at EUR 15.8 million, they were EUR 2.4 million below last year's comparable level of EUR 18.2 million and EUR 1.1 million below last year. The cause of the drop in Other operating expenses relative to last year's comparable level is mainly to be found in lower expenditures for guarantees (-EUR 0.5 million) and expenditures not incurred again for closing down facilities (-EUR 0.7 million), which primarily resulted in savings in rents for the year under review.

Write-downs on intangible assets and fixed assets in the year under review amounted to EUR 4.6 million and were approx. EUR 0.4 million below a comparable level last year (EUR 4.6 million last year), while extraordinary write-downs of only EUR 0.2 million were incurred (EUR 0.7 million last year). Corporate real estate held for sale in Southern France (EUR 0.1 million) and production forms no longer in use (EUR 0.1 million) have accounted for the extraordinary write-downs for the year under review.

The financial result amounts to -EUR 0.9 million (-EUR 1.1 million) and primarily includes scheduled interest payments for servicing financial debt owed to lending institutions.

In particular due to the improved ratio of cost of materials to total operating revenues, elimination of the provision for losses on used boats as well as cuts in expenditures for personnel and nonpersonnel costs in conjunction with closing down certain venues, the HanseGroup's earnings

for the year under review have significantly improved and amount to -EUR 5.3 million (comparable level last year: -EUR 12.8 million; previous fiscal 2010/11: -EUR 12.3 million).

2.2 Financial Position

Cash flow from operating activities amounts to +EUR 0.6 million and is significantly above the level for a comparable period last year (last year = shortened fiscal year 2011/12: -EUR 2.1 million). In particular the exceptional noncash write-downs, reductions in the size of inventories and an increase in trade payables have led to a substantial release of funds for operating activities.

Cash flow from investment activities was mainly affected by payments for investments in intangible assets as well as in property, plant and equipment (EUR 2.2 million). Investments in intangible assets and fixed assets mainly pertained to new yacht developments as well as in new production forms for yachts. In the year under review, large payments from disposals of assets (around EUR 1.3 million) led to partial compensation of the capital expenditures for investments so that significantly improved cash flow investment activities has resulted of around -EUR 0.9 million (-EUR 2.8 million last year). The income from disposals of assets resulted from the sale of assets not essential for operations. They pertain to sales of EUR 0.6 million transacted last year that were first received as payments in the year under review.

Cash flow from financial activities contains repayment of bank loans and of debt arising from finance leasing of EUR 2.7 million (EUR 1.2 million) as well as income of EUR 2.9 million from additional long-term financing (payment received from capital increase (EUR 1.8 million last year)). Financing of EUR 1.6 million from a sale-and-leaseback transaction in this fiscal year is contained in this cash flow. Cash flow from financial activities amounted to EUR 0.2 million (EUR 0.6 million last year).

As at the balance sheet date there were positive balances held at lending institutions of EUR 2.0 million, which was

slightly below last year's balance (EUR 2.3 million). Of our liquid funds a total of EUR 0.6 million serve to collateralize guaranty lines (EUR 0.7 million last year). In addition, there are overdraft facilities amounting to EUR 4.9 million, while EUR 4.0 million thereof has been secured by a state guaranty. As at the balance sheet date, these facilities had been utilised in the form of surety loans (EUR 0.5 million) and cash advances in euros amounting to EUR 2.2 million (utilisation of surety loans granted for EUR 2.9 million last year). In addition there is a guaranteed credit facility for the benefit of a marketing subsidiary.

Financial debt over and above the aforementioned figures essentially pertain to medium- to long-term investment loans from lending institutions that have been settled by means of regularly scheduled payments as well as unscheduled payments. The interest rate was ensured on the basis of the conditions in effect at the point in time, at which the loan contracts were concluded, for the duration of said loans. In addition to the existing loans owed to lending institutions, another longer-term financial arrangement was taken out from an external financing partner in the year under review.

To support our franchised dealers as well as our own sales financing, we have concluded a master agreement with an independent institutional sales finance company, which attained the status of a lending institution during the course of the year under review. This lending institution permits dealers with sufficient creditworthiness to finance boats ordered by customers as well as boats to be used as demonstrators and at trade fairs. As at the balance sheet date a marketing subsidiary belonging to the HanseGroup took out a short-term sales financing loan of EUR 0.4 million that is contained in financial debt for the first time.

2.3 Net Assets

As at the balance sheet date the HanseGroup's total assets amounted to EUR 54.1 million (EUR 59.6 million last year: 30 June 2012).

At EUR 29.6 million, long-term assets have decreased by EUR 2.5 million compared to last year (EUR 32.1 million). The proportion of total assets attributable to non-current capital employed was thus 54.8 % as at the balance sheet date (53.8 % last year).

With intangible and tangible assets, only EUR 2.2 million in new investments could not offset EUR 4.5 million in write-downs. In addition, by selling production assets, carrying amounts amounting to EUR 0.2 million have been disposed of.

At EUR 15.9 million (EUR 20.0 million last year), inventory assets have increased by EUR 4.1 million compared to last year. In comparison to last year, the considerably higher number of boats delivered in the month of June 2013 led to a corresponding reduction in inventories, in particular with respect to unfinished and finished yachts. As in the previous fiscal year, our inventories also include used boats taken as trade-ins. Their number was once again somewhat higher in the consolidated financial statements. Unlike last year, significant valuation adjustments for possible resale risks were nevertheless not necessary with respect to the inventory of used boats in fiscal year 2012/13.

As at the balance sheet date, trade receivables only amounted to EUR 3.4 million (EUR 2.1 million last year) owing to delivery of a large number of boats in the month of June 2013.

Non-current assets held for sale contain real estate and movable assets located thereon, which are to be sold on a short-term basis. The assets to be sold are to be recognized at their carrying value and/or at the estimated lower realisable value and are located at our Greifswald venue as well as in France. For this, we refer readers to the report on events after the balance sheet date under Item 9. Equity decreased by EUR 5.3 million to EUR 17.0 million due to another year-end deficit for the past fiscal year. Our ratio of equity to total capital is 31.4 % (37.4 % last year).

The contracts for long-term loans concluded with banks call for compliance with certain key fiscal indicators (covenants), which we have had to verify on the basis of our annual financial statements. In the year under review, compliance was not possible with any of these covenants, for which a credit term exists. Any violation of fiscal indicators would trigger an extraordinary right of cancellation on the part of lenders that in such cases would be justified in demanding immediate repayment of the respective loan. As in the previous year in accordance with IFRS accounting standards, the financial debt thus affected was recognized as short-term in the consolidated balance sheet as at 30 June 2013. Due to this reclassification, short-term debt increased by EUR 3.1 million, while total debt owed to banks has been further reduced by means of payments on principal. The increase in long-term financial debt resulted from an additional loan taken out from a financing partner that is independent of any bank.

The increase in debt of EUR 1.1 million to EUR 1.3 million from finance leasing essentially resulted from a sale-and-lease-back transaction for certain production forms.

Other provisions were reduced by EUR 1.3 million primarily as a result of using provisions for rent and severance payments caused by the close-down of Dehler's production facilities and of the marketing enterprises in France and Norway.

Corresponding to the above-mentioned reduction in inventories of finished and unfinished boats, the volume of advance payments received on boat orders was below last year's level at EUR 5.7 million (EUR 6.5 million last year).

In comparison to last year, Trade payables increased by EUR 2.4 million to EUR 14.2 million, in particular due to taking advantage of and granting delayed payment terms.

Liabilities owed to related companies and parties mainly affect the loan guaranteed by the majority shareholder of the parent company as well as unpaid invoices owed to the same party.

2.4 Investments and Depreciation

Thanks to our extensive investments in past years, no additional major investments were necessary for our production facilities in the year under review. The like-new assembly lines for manufacturing sailing yachts in flow production as well as in cellular manufacturing receive service and maintenance at regular intervals. For this reason, the focus of our investments was essentially placed on manufacturing and acquiring production forms for our new models. The cost of developing new yachts has been capitalised in the amount of EUR 0.3 million (EUR 0.4 million last year). In the year under review, extraordinary write-downs on forms, which were phased out before the end of their estimated service life, only amounted to EUR 0.1 million or to a comparatively small extent (EUR 0.4 million last year).

3. RESEARCH AND DEVELOPMENT

Our development efforts are primarily focussed on developing new and innovative yachts utilising the most advanced materials and manufacturing technology. Know-how gained within the framework of ongoing process optimisation has been flowing into our development efforts and has been augmented by joint projects with universities. The extensive experience of the HanseGroup's own staff has been enhanced by co-operation with internationally recognized draughtsman's offices and yacht designers.

The use of computer-aided design (CAD) software called Catia V5 permits us to use a database to illustrate entire development and production processes, from the initial design to controlling production machinery. In addition to hardware and software costs, substantial expenses have been incurred for advanced training courses for our staff and for utilising external specialists.

In the year under review, the focus of our development activities was to generate new models for our Hanse and Dehler brands. In so doing, it has been important not only

to continue developing exterior and interior layouts for existing models, but also in particular to come up with new designs and concepts and to firm up construction and manufacturing standards.

Expenditures for our research and development activities amounted to EUR 2.5 million in the year under review. These expenditures only partially (EUR 0.3 million) meet the requirements for capitalisation in the annual financial statements prepared in accordance with German commercial law.

4. PERSONNEL

Securing the jobs of our employees represents an essential constituent of our corporate policy. In so doing, it is not only important for us to retain their professional expertise for our boatyard, but also to be mindful of our social responsibility as one of the largest commercial employers in Greifswald as an economic entity.

We have cultivated an objective and fair manner of dealing with the works council. This cooperation includes mutual information exchanges on a timely basis as well as open dialogs between everyone involved.

As at the balance sheet date we employed a total of 715 people (766 last year), 14 thereof trainees (18 last year).

5. QUALITY ASSURANCE AND SERVICE

In the fiscal year under review, we continued to strengthen our commitment significantly with respect to internal quality assurance and service for our dealers and their customers. Quality assurance has been further emphasized all along the chain of manufacturing processes. The salary system for employees engaged in quality assurance and in production areas has been enhanced by a component based on quality.

The high production figures of recent years have led to a corresponding flotilla of boats on the market that require support. The costs thus incurred have been borne in part by the respective dealers and in part by the HanseGroup in accordance with contractual arrangements made between the HanseGroup and its dealers.

6. MANDATORY DISCLOSURE IN ACCORDANCE WITH ART. 315 (4) OF THE GERMAN COMMERCIAL CODE (HGB)

The HanseGroup's subscribed capital is EUR 7.0 million and is comprised of 7.0 million no-par value ordinary bearer shares. Without exception, only equally valid ordinary shares have been issued and each share grants one voting right.

As at the balance sheet date, the following participations are each over 10 % of the share capital, including any notifications received prior to completion of this management review: the HY Beteiligungs GmbH holds 59.13 % and Aurelius AG holds 16.49 % of the shares in the HanseGroup.

Installing and removing members of the management board are governed by Articles 84 and 85 of the German Stock Corporation Law (AktG) and in Art. 7 of the HanseGroup's Statutes (Aol) in the version of 31 January 2012. According to Art. 7 of the Aol, the management board comprises at least one person. Otherwise, the supervisory board determines the number of members on the management board. Amendments to the Aol are made as per Articles 179 & 133 of the AktG and Article 23 of the Aol (version: 31 January 2012); as per the latter regulation, the supervisory board is authorised to amend the Aol so long as it only affects wording.

The management board of the HanseGroup was authorised by a resolution passed at the annual general meeting on 02 February 2011, subject to the consent of the supervisory board, to increase the HanseGroup's share capital against

cash or in-kind contributions by up to EUR 3 200 000 by issuing new no-par-value shares (Authorised Capital 2011) in one or more stages. Furthermore, the management board was authorised, subject to the consent of the supervisory board, to determine any additional substance of the rights attaching to the shares and the terms and conditions for issuing said shares. In addition, the management board was authorised, subject to the supervisory board's consent, to preclude shareholders' statutory pre-emptive rights. Last year, 600 000 shares were issued from authorised capital with a nominal value of EUR 1.00 per share. Consequently, the remaining authorised capital amounted to EUR 2.6 million as at 30 June 2013.

At the General Shareholders' Meeting on 02 February 2010, the HanseGroup was authorised to repurchase its own shares up to 10 % of current share capital in accordance with Art. 71, Para. 1, No. 8 of the AktG. This authorisation will remain valid until 1 February 2015.

The financial institutions providing the financing are entitled to partial rights of termination for long-term loans in case of a change in control.

The ancillary agreements, with respect to employment contracts concluded with members of the management board after the balance sheet date and by the time the HanseGroup management report was prepared, grant said members of the management board extraordinary rights to early termination of their contracts in case a shareholder should gain control of a majority of the voting rights. Should this right be exercised, they would be entitled to compensation amounting to the fixed remuneration that would have been earned by expiration of the regular term of their contracts, but limited to the fixed remuneration for one year.

7. RISK REPORT

7.1 Risk Management

As a rule, the HanseGroup's management board pursues a policy of avoiding risks as much as possible or wherever possible to hedge them accordingly. General risks, such as destruction of production facilities, e.g., through fire, have been covered by corresponding insurance with limits of indemnity commensurate with the risks involved.

Our internal early-warning system is focussed on risks that could restrict development or jeopardise either the assets or the existence of the HanseGroup. Essential risks are assessed with respect to the probability of their occurring and their significance for the HanseGroup. Systematic presentation and descriptions of the risk groups, damage scenarios and potential countermeasures, relevant control mechanisms and the channels to be used by risk officers when communicating with risk management have been regulated in a risk handbook. It also contains the HanseGroup's principles of risk policy as well as the structure of risk management and risk communication. Relevant risk positions have been communicated from the respective business divisions directly to the management board.

In addition to regular internal reports on the course of business operations, a uniform, Group-wide planning and budgeting process is also an integral part of risk management. Targets for the HanseGroup and the Corporate Group have been bundled in short-term and medium-term planning. Aside from model-based forecasts for sales volume, these are essentially the critical indicators used as defining factors for determining success, such as the ratio of cost of materials to total operating revenues, the ratio of personnel costs to turnover as well as the budgets for marketing and distribution. Investments and liquidity also form part of the planning. By means of regular reporting, the HanseGroup ensures compliance with its forecast targets. Deviations are analysed when they occur so that countermeasures can be determined and implemented.

7.2 Internal Controlling System

The management board has set up an internal controlling system for the various organisational, technical and commercial processes within the company. An essential component is the principle of separate functions, which should guarantee that executive activities (e.g. processing purchases), book-keeping (e.g. financial accounting) and administrative procedures (e.g. managing inventories) that are undertaken within the framework of a corporate process are not combined in one single source. This has been supported by ERP software called Pro Alpha while taking an authorisation concept into consideration. Staffs only have access to such processes and data as are necessary for their work. The four-eye principle ensures that essential procedures are not performed without proper oversight. For various processes within the HanseGroup, there are target concepts and instructions, by which an assessment can be made if staff are working in compliance with said target concept. Staffs in the Accounting Department have mostly been employed at the HanseGroup for many years and consequently are very experienced and sure-handed when dealing with routine business operations and transactions, which are brought on by the HanseGroup's day-to-day commercial activities.

Our risk-management system ensures that critical information and data are passed directly to senior management. To ensure financially proper compilation and appraisal of entrepreneurial facts, close and regular collaboration takes place between the management board and commercial direction. With respect to new legal regulations and novel or unusual business transactions, we also maintain close contact with our auditors during the course of the year. Problematic cases are first analyzed, discussed and are then subjected to critical evaluation together with our auditors. The consolidated financial statements are centrally prepared with the aid of certified consolidation software called LucaNet by the HanseGroup's own staff, which is equipped with extensive experience and special expertise in questions of consolidation and IFRS accounting principles. For reports from our major foreign subsidiary TTS to the parent company, we use

standardized reporting packages that contain all of the data for complete consolidated financial statements in accordance with IFRS.

7.3 Areas of Risk

7.3.1 Overall Market and Sector

The HanseGroup operates in an international market environment and is thus subject to intensive competition. Our products are luxury items, demand for which is heavily dependent on the overall economic situation and the accompanying propensity to consume on the part of potential customers in various markets. Changes in the overall economic framework in essential sales markets can only be partially cushioned in spite of the broad regional distribution of our international franchised dealer networks.

It has only been partially possible to compensate for the weak demand of the markets in Southern Europe occasioned by the sovereign debt crisis by gaining new markets and by means of greater market penetration in other sales regions.

There is a general sales risk due to comparable competing products that are aggressively priced and marketed by competitors. The HanseGroup has minimized this risk with short development cycles, innovative products, but also in part with discounts or improved furnishings and equipment.

7.3.2 Operative Business Risks

The HanseGroup's marketing strategy and growth prospects rely heavily on a network of independent franchised dealerships and are dependent on their number, performance potential and quality. The failure of certain franchised dealers or a worsening of their financial soundness would result in erratic marketing of our products in the respective markets.

Changes in customer tastes or the development of new models that are not in line with customer tastes could have a

significant, materially adverse impact on sales of our yachts. Moreover, despite the chances of reaching new markets, there is a general risk that newly developed models would not be accepted by the market and that the development costs could thus not be amortised.

Product liability cases and accidents involving yachts produced by the HanseGroup as well as recall actions due to product risks could cause a substantial financial burden and be injurious to our reputation. Even if the HanseGroup could not be made legally liable for damages, such incidents could substantially damage its reputation, resulting in a significant drop in revenues. Insurance taken out by the HanseGroup can only partially offset any possible financial losses.

7.3.3 Procurement and Purchasing Risks

In general, market price risks are essentially hedged by concluding master agreements with suppliers wherever possible that in particular stipulate the purchase prices of goods and services for the respective production year. Components that are critical for success are preferably procured from major, international suppliers.

Purchasing risks, e.g., loss of individual suppliers or delays in delivery, can be mitigated by ensuring that wherever possible alternative suppliers are available for purchasing parts at any time.

Fluctuations in the prices of raw materials can lead to varying prices in essential supplier categories. This risk can only be partially cushioned by longer-term price agreements.

7.3.4 Financial Risks

The fact that our yachts are almost exclusively produced in accordance with orders from end-users, while advance payments must be made by customers by the start of final assembly, largely obviates the risk of customer or end-user defaults. The payments received on account for orders are

sufficient to cover any marketing risks. Moreover, yachts are only handed over to customers or their freight forwarders when they have been paid in full or binding confirmation of financing for the sale has been received. Exceptions to this rule require the approval of the management board. As a consequence, our risk is low with respect to loss through default in conjunction with trade receivables for yacht sales.

There is a marketing obligation and in extreme cases a buyback obligation for the respective boat involved on the part of the HanseGroup, arising from a master agreement concluded with an institutional sales finance company in case a franchised dealer should default. For these boats the HanseGroup has collected advance payments, and its dealers have been making regular payments on principal to the financing company, thereby minimizing the resale risk.

Currency risks are hedged by billing in euros to the greatest extent possible. Otherwise, sales denominated in foreign currencies are hedged with forward currency sales if a major impact on earnings is expected as a result of fluctuations in exchange rates.

The HanseGroup has been granted public subsidies under certain conditions. Should it violate these conditions, it could be required to return the funds thus disbursed. In addition, repayment of funds could be demanded in the event of violations of European financial aid regulations.

For risks involving fluctuations in interest rates for existing Euribor loans, there are swap transactions, whose effectiveness in securing against such risks was nevertheless partially reduced following readjustment of the terms governing interest and by unscheduled payments on principal in the year under review.

Contracts for long-term loans with our banks call for compliance with certain key fiscal indicators, such as debt gearing. Any violation of these fiscal indicators would trigger an extraordinary right of cancellation on the part of lenders that in such cases would be justified in demanding

immediate repayment of the respective loan. This could possibly result in making such financing more expensive or in causing a gap in financing to arise that could jeopardize the going concern. In the year under review—as in years past—compliance was not possible with any of these covenants, for which a credit term exists. The lending institutions were informed early on about the expected failure to comply with the financial indicators with the aid of planning and budgeting forecasts. As in previous years, the HanseGroup appealed to the lending institutions involved in the financing with requests in writing not to pursue the consequences of such failure to comply with said covenants. The management board assumes that all commercial banks will declare their willingness to forgo exercising their right to early termination of the loan contracts after the management report has been prepared.

Liquidity Situation

Commensurate with the seasonality of our business activities, commitment of resources fluctuates with respect to working capital throughout the entire fiscal year. For this reason, there is a greater need for liquidity during the winter months than in the summer months. In addition to focused control over working capital (e.g., utilising target payment dates and supplier loans), overdraft facilities have been made available to us to cover these liquidity needs, which have been secured by a guaranty provided by the State of Mecklenburg-Western Pomerania. Our corporate planning provides for largely utilising currently available overdraft facilities, in particular for the winter months. In so doing, the HanseGroup's corporate planning takes into account the measures to cover capital needs explained in the "Events after the Balance Sheet Date" in Chapter 9.

Our corporate planning—like all planning—is fundamentally subject to inherent planning risks. The estimates and assumptions based on our corporate planning affect in particular the expected turnover and sales volume, further realisation of cost-cutting potential as well as processing incoming and outgoing payments as they fall due.

7.3.5 Environmental Risks

Production of glass-reinforced plastics (GRP) has led, inter alia, to emissions of acetone and styrene, for which environmentally sustainable standards must be observed. We comply with those standards. Restrictions on the use of styrene and acetone in our production could cause manufacturing shortfall.

7.3.6 Personnel Risks

As with other small to medium-sized enterprises, the HanseGroup's success is materially dependent on a few of its senior executives. In the areas of finance and production, the management board and the next level of senior management has been reorganized with respect to personnel.

Should the HanseGroup not be in a position to organize and control fundamental business procedures (e.g., managing sales activities, production-management-related business processes) effectively or to implement necessary structural adjustments in the face of a persistently difficult market climate, this could have an adverse impact on the HanseGroup's revenues, its profitability and its future prospects.

At the HanseGroup, we employ people of various nationalities, who occasionally perform tasks for various subsidiaries within the HanseGroup. Moreover, a number of independent entrepreneurs also work for the HanseGroup. Unlimited freedom of movement still does not exist within Europe even today. Any violations of social security provisions or of regulations involving German legislation on reassigning personnel abroad could lead to a classification that deviates from the current status and to correspondingly higher charges for social security contributions.

8. REMUNERATION REPORT

At the HanseGroup's general meeting on 31 January 2012, it was resolved that remuneration for members of the management board would not be disclosed on an individual basis for the next five years.

Remuneration for the members of the management board is determined by the supervisory board, which regularly assesses the commensurateness of said remuneration. This remuneration comprises a fixed and a variable component. The variable components are dependent on achieving targets that are fixed annually. There is a ceiling on the variable components. The variable remuneration component is paid once annually, depending on the results of the past fiscal year relative to achievement of the respective targets agreed upon. Moreover, the supervisory board can grant the management board a special bonus in case of extraordinary performance, which also has a ceiling. No arrangements have been made for pensions. For the fiscal year reported here, the management board has received a variable remuneration component.

Remuneration for members of the supervisory board is determined by the shareholders at the general meeting and has been regulated in Article 14 of the Articles of Incorporation of the HanseGroup. In addition to reimbursement for expenses, each member of the supervisory board initially receives fixed annual remuneration of EUR 6000, payable at the end of each fiscal year. In addition each member of the supervisory board receives variable remuneration of EUR 50 for each cent, by which consolidated earnings after taxes per share exceed EUR 1.30. The chairman of the supervisory board receives three times the normal fixed and variable remuneration; the vice-chairman and heads of commissions receive two times the above-mentioned amounts. For the fiscal year reported here, as in previous years, the supervisory board did not receive any variable remuneration components.

9. REPORT ON EVENTS AFTER THE BALANCE SHEET DATE

On 20 June 2013, the marina premises, which were not considered essential to operations, were sold to a local investor, who already had a business enterprise on the same site. The sales contract was completed when the sale price was put in escrow with the notary in August 2013. After part of the property was sold in the year under review and the necessary entry in the Commercial Registry has been made, this transaction will lead to an increase in the HanseGroup's liquidity of EUR 2.4 million, EUR 0.7 million thereof to be used for an unscheduled payment on principal for a secured bank loan. Hidden reserves amounting to EUR 1.4 million have been realised by this sale.

On 9 July 2013, several used boats were sold to a dealer as a single package for a total of EUR 0.8 million, while realizing the carrying values as much as possible.

On 25 July 2013, the HanseGroup resolved to utilize its authorized capital to increase share capital of EUR 7 million by up to EUR 2 592 590.00 to EUR 9 592 590.00. The subscription price per new share was set at EUR 1.92. The 2 592 590 shares of the new stock have been fully subscribed and the capital increase was entered in the Commercial Register on 12 September 2013. Without exception, only equally valid ordinary shares have been issued and each share grants one voting right. The capital increase led to an inflow of liquidity of nearly EUR 5.0 million.

10. FORECAST REPORT

Current market studies have not caused us to expect any noteworthy upturn in the water-sports market for the coming year. However, we continue to see positive market opportunities in Turkey and in the countries along the Eastern Adriatic coast, in Asia, the US as well as in South America. In Northern Europe we are expecting demand to remain stable at the current low level.

At this time, we still cannot assess to what extent the instability of the Southern European countries will continue to have an adverse impact on the water-sports market. In our estimation these markets have already reached a very low level so that an additional drastic slump in the market is not very likely any more. On the contrary, individual orders from this region have made us hopeful of a slight recovery.

With our clearly established multiple-brand strategy as well as a broad and trend-setting palette of models, we are very well positioned with respect to our international competitors. The comprehensive presentation of our palette of models at all major boat shows as well as additional newly developed models will form the basis for successful marketing, with which we plan to have some growth in turnover in the coming season. However, as in previous fiscal years we are expecting the market to remain sensitive to price.

Thanks to implementation of measures to increase production efficiency and optimise product development, despite only slightly increasing turnover revenues, we are expecting significant improvement in our results and positive earnings before interest, taxes, depreciation and amortization (EBITDA) for the coming fiscal year 2013/14. We are also counting on this trend to continue into fiscal year 2014/2015.

Within the framework of ongoing optimisation of our financing structure, the HanseGroup is exploring additional financing possibilities, which could also include, inter alia, issuance of a bond. Possible implications for our business activities and/or development of our enterprise arising from this in fiscal year 2013/14 have not yet been included due to a lack of sufficient concrete substantiation in the above-mentioned forecast.

Our expectations are based on assumptions and estimates that are essentially dependent on developments in the economic climate, on our competitors' policies on products and pricing as well as on developments in the international job market and in exchange rates. The actual trend of business can deviate from our expectations due to unforeseen circumstances.

Greifswald, 26 September 2013

The Management Board

Dr. Jens Gerhardt

Sven Göbel



CONSOLIDATED
FINANCIAL STATEMENTS

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CONSOLIDATED BALANCE SHEET (IFRS)

	Notes	30. June 2013	30. June 2012
		EUR	EUR
ASSETS		54.108.141,12	59.601.017,24
Non-current assets		29.639.690,33	32.087.836,25
Intangible assets	6.1.	4.585.487,68	4.469.501,80
Property, plant and equipment	6.2.	24.668.670,64	27.273.292,07
Deferred tax assets	6.3.	385.532,01	345.042,38
Current assets		24.468.450,79	27.513.180,99
Inventories	6.4.	15.938.120,08	19.998.740,71
Trade receivables	6.5.	3.449.174,82	2.125.805,59
Other assets	6.6.	1.160.935,68	951.736,06
Tax refund claims		0,00	7.848,37
Cash and cash equivalents	6.7.	2.046.052,38	2.277.104,53
Non-current assets held for sale	6.8.	1.874.167,83	2.151.945,73
EQUITY & LIABILITIES		54.108.141,12	59.601.017,24
Equity	6.9	16.985.811,07	22.288.055,15
Subscribed capital		7.000.000,00	7.000.000,00
Capital reserves		6.000.371,41	15.188.925,09
Reserve for currency translation differences		188.352,84	182.668,91
Net earnings		3.797.086,82	(83.538,85)
Non-current liabilities		1.128.544,23	278.782,49
Deferred tax liabilities	6.3.	48.577,51	114.134,10
Non-current financial liabilities	6.11.	490.607,40	27.507,38
Non-current finance lease liabilities	6.11.	589.359,32	137.141,01
Current liabilities		35.993.785,82	37.034.179,60
Other provisions	6.10.	2.160.429,97	3.457.106,32
Current financial liabilities	6.11.	7.738.010,96	9.303.741,78
Current finance lease liabilities	6.11.	684.603,43	51.007,99
Payments on account received	6.11.	5.661.168,89	6.512.091,40
Trade payables	6.11.	14.220.154,18	11.777.290,47
Income tax liabilities	6.3.	437.329,70	245.266,61
Liabilities to related parties	6.11.	2.635.063,37	2.950.361,09
Other liabilities	6.11.	2.457.025,32	2.737.313,94

STATEMENT OF COMPREHENSIVE INCOME and other results (IFRS)

in EUR	Notes	1. July 2012 to 30. June 2013	Shortened fiscal year 1. August 2011 to 30. June 2012
Revenues	5.1.	80.932.542,77	73.275.214,09
Decrease/ Increase in work in progress and finished goods	5.1.	(3.856.027,39)	5.046.885,84
Own work capitalised	5.1.	1.115.330,03	1.472.286,12
Other operating income	5.2.	2.160.110,40	2.082.041,53
Cost of materials	5.3.	(46.068.067,07)	(52.614.651,96)
Personnel expenses	5.4.	(18.260.000,43)	(19.093.408,69)
Other operating expenses	5.5.	(15.782.152,16)	(16.881.296,69)
EBITDA		241.736,15	(6.712.929,76)
Amortisation, depreciation and write-downs	5.6.	(4.587.051,06)	(4.649.593,23)
EBIT		(4.345.314,91)	(11.362.522,99)
Net financial costs	5.7.	(902.059,18)	(981.499,79)
Earnings before income taxes		(5.247.374,09)	(12.344.022,78)
Income taxes	5.8.	(60.553,92)	12.690,62
Consolidated loss / net earnings		(5.307.928,01)	(12.331.332,16)
Earnings per share	5.9.	(0,76)	(1,85)
(undiluted / diluted)			
Consolidated loss / net earnings		(5.307.928,01)	(12.331.332,16)
Other income			
Currency translation difference		5.683,93	94.711,92
Total result for the period		(5.302.244,08)	(12.236.620,24)

CONSOLIDATED CASH FLOW STATEMENT (IFRS)

in EUR	Notes	1. July 2012 to 30. June 2013	Shortened fiscal year 1. August 2011 to 30. June 2012
Earnings before interest and taxes (EBIT)		(4.345.314,91)	(11.362.522,99)
Amortisation, depreciation and write-downs		4.587.051,06	4.649.593,23
Interest paid (net)	7.	(908.045,75)	(843.845,80)
Income taxes paid	7.	0,00	(4.023,06)
Gains from on disposals of assets as well as profits from disposals of non-current assets		(360.377,92)	(395.216,33)
Changes in inventories, receivables and other assets not related to investing or financing activities		1.968.676,78	(2.749.495,85)
Changes in liabilities not related to investing or financing activities		(319.988,70)	8.654.587,86
Cash flow from operating activities		622.000,56	(2.050.922,94)
Proceeds from disposals of assets from property, plant and equipment as well as proceeds from non-current assets held for sale	7.	1.282.168,99	124.757,68
Investments in			
intangible assets	7.	(425.053,68)	(496.176,13)
property, plant and equipment	7.	(1.758.868,70)	(2.382.976,68)
Cash flow from investing activities		(901.753,39)	(2.754.395,13)
Repayments of liabilities from finances leases	7.	(546.473,58)	(53.034,19)
Incoming payments from sale and leaseback transactions	7.	1.638.299,97	0,00
Proceeds from loans raised	7.	1.294.341,61	0,00
Repayments of bank loans	7.	(2.161.063,45)	(1.182.229,04)
Cash in from capital increase		0,00	1.800.000,00
Cash flow from financing activities		225.104,55	564.736,77
Change in cash and cash equivalents		(54.648,28)	(4.240.581,30)
Exchange rate-related changes in financial funds		(6.925,03)	(13.682,65)
Cash funds at beginning of period		(78.787,60)	4.175.476,35
Cash and cash equivalents at end of period		(140.360,91)	(78.787,60)
Composition of cash and cash equivalents			
Bank balances		2.036.507,76	2.267.539,06
Cash in hand		9.544,62	9.565,47
Bank overdrafts		(2.186.413,29)	(2.355.892,13)
		(140.360,91)	(78.787,60)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IFRS)

	Number of no-par value shares	Subscribed capital	Capital reserves	Net retained earnings / loss	Reserve for currency translation differences	Consolidated equity *)
		EUR	EUR	EUR	EUR	EUR
31. July 2011 / 1. August 2011	6.400.000	6.400.000,00	22.807.795,74	3.428.922,63	87.957,01	32.724.675,38
Consolidated net earnings		0,00	0,00	(12.331.332,16)	0,00	(12.331.332,16)
Currency translation differences		0,00	0,00	0,00	94.711,92	94.711,92
1) Total result for the period		0,00	0,00	(12.331.332,16)	94.711,92	(12.236.620,24)
2) Capital increase for cash	600.000	600.000,00	1.200.000,00	0,00	0,00	1.800.000,00
3) Usage of Capital reserves		0,00	(8.818.870,65)	8.818.870,65	0,00	0,00
4) Others		0,00	0,00	0,03	(0,02)	0,01
30. June 2012 / 1. July 2012	7.000.000	7.000.000,00	15.188.925,09	(83.538,85)	182.668,91	22.288.055,15
Consolidated net earnings		0,00	0,00	(5.307.928,01)	0,00	(5.307.928,01)
Currency translation differences		0,00	0,00	0,00	5.683,93	5.683,93
1) Total result for the period		0,00	0,00	(5.307.928,01)	5.683,93	(5.302.244,08)
2) Usage of Capital reserves		0,00	(9.188.553,68)	9.188.553,68	0,00	0,00
30. June 2013	7.000.000	7.000.000,00	6.000.371,41	3.797.086,82	188.352,84	16.985.811,07

*) Minority interests do not exist. Total equity is allocated to HanseYachts AG's shareholders



NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (IFRS)

1. GENERAL DISCLOSURES

HanseYachts AG, whose registered office is in Greifswald, Germany, is a publicly listed company (Aktiengesellschaft) and parent company of the HanseGroup. Since 9 March 2007 HanseYachts AG has been publicly listed on the regulated market (General Standard) of the Frankfurt Stock Exchange.

The principal business activities of the companies in the HanseGroup are essentially the development, production and sale of sailing yachts under the HANSE, MOODY and DEHLER together with the VARIANTA brands as well as motorboats under the FJORD brand. During fiscal year 2012/13 the HanseGroup conducted its business activities from production facilities in Greifswald and Goleniów in Poland as well as at two operative distributorship companies in Greifswald and the US.

The consolidated financial statements of HanseYachts AG have been prepared in euros. Unless otherwise indicated, all

amounts will be rounded off to the nearest thousand euros and quoted in millions/thousands of euros (EUR x million/EUR xK). Differences of up to one unit (EUR xK, %) represent technical and justified differences caused by rounding off.

The HanseGroup has a fiscal year that deviates from a calendar year, from 1 July to 30 June of the respective following year. Seasonal business cycles can thus be taken into account. The previous shortened fiscal year encompassed the period reviewed from 1 August 2011 to 30 June 2012. Consequently, a comparison of the current 12-month period under review for 2012/13 with the 11-month period from 2011/12 would thus only be of limited value.

HanseYachts AG is entered in the commercial register of the Stralsund Magistrates' Court (Amtsgericht) under reference HRB 7035. The address is Salinenstrasse 22, 17489 Greifswald.



2. BASIS OF PREPARATION

The 2012/13 consolidated financial statements comply with the standards and interpretations issued by the IASB in London, as adopted by the EU, and with the supplementary requirements of Art. 315a of the German Commercial Code (HGB). In so doing, all standards and interpretations issued and whose adoption was mandatory as at 30 June 2013 have been applied.

The following amended standard, whose application was mandatory for the first time in fiscal year 2012/13, have not had any influence or any material impact on the assets, earnings and financial position of the HanseGroup:

- IAS 1 * (Presentation of Financial Statements; from 1 July 2012)

Presentation of other recognised income has been changed by amendment to IAS 1 to the effect that sub-totals have been required for the items that under certain conditions can be reclassified in the income statement and those that are not reclassified.

Moreover, the following standards have been adopted by IASB and/or interpretations adopted by IFRIC; nevertheless these have not been applied in the consolidated financial statements as at 30 June 2013 as their application will only be mandatory in subsequent fiscal years and/or an endorsement by the European Commission has not yet been issued:

- IFRS 1* First-time Adoption of IFRS: Pronounced Hyperinflation (as at 1 July 2013)
- IAS 12* Deferred Taxes: Realising the Carrying Value of a Specific Asset (as at 1 July 2013)
- IAS 19* Employee Benefits (as at 1 January 2013)
- IFRS 9 Financial Instruments: Classification and Measurement (as at 1 January 2015)
- IFRS 10 Consolidated Financial Statements (as at 1 January 2014)
- IFRS 11 Mutual Agreements (as at 1 January 2014)

- IFRS 12 Disclosures on Participations in Other Companies (as at 1 January 2014)
- IFRS 13 Measuring Fair Value (as at 1 January 2013)
- IAS 27* Consolidated and Separate Financial Statements (as at 1 January 2014)
- IAS 28* Investments in Associates (as at 1 January 2014)
- IFRS 7* Financial Instruments: Disclosures: Offsetting Financial Assets and Financial Liabilities (as at 1 January 2013)
- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine (as at 1 January 2013)
- IFRS 1* Public Loans (as at 1 January 2013)
- Improvements to IFRS 2009 to 2011 (as at 1 January 2013)
- IAS 32* Offsetting Financial Assets and Financial Liabilities (as at 1 January 2014)
- IFRS 7* and IFRS 9* Disclosures: Time-related Scope of Application and Transitional Provisions (as at 1 January 2015)
- IFRS 10*, IFRS 12* und IFRS 27* Investment Companies (as at 1 January 2014)
- IAS 36* Disclosures on the Recoverable Amount for Non-financial Assets (as at 1 January 2014)
- IAS 39* Novation of OTC Derivatives and Continuation of the Existing Hedging Relationship (as at 1 January 2014)
- IFRIC 21 Disclosures (as at 1 January 2014)

*) Amendments (Amendments to existing standards)

These standards and interpretations will first be applied when their utilisation has become mandatory and the endorsement by the European Commission has been issued. According to current estimates, there would not be any essential impact on the assets, earnings and financial position of the HanseGroup resulting from any future application.

Because these consolidated financial statements have been prepared in accordance with IFRS, HanseYachts AG is exempt from the requirement to produce consolidated finan-

cial statements in accordance with HGB, since the conditions of Art. 315a HGB have been met. The consolidated financial statements have been submitted to the Bundesanzeiger Verlagsgesellschaft mbH in Cologne, the operator of the Federal Gazette (Bundesanzeiger), and will be published electronically by that company in the Federal Gazette.

Dehler Yachts GmbH, Verwaltung Hanse (Deutschland) and Vertriebs GmbH and HanseYachts Technologie und Vermögensverwaltungs GmbH as well as Yachtzentrum Greifswald Beteiligungs-GmbH will take advantage of the easing of disclosure regulations under the additional stipulations of Art. 264b, Para. 3 of the German Commercial Code (HGB).

3. CONSOLIDATION PRINCIPLES

Inclusion in Overriding Financial Statements

3.1. Scope of Consolidation

The parent company of the HanseGroup is HanseYachts AG. In addition to HanseYachts AG, six (six last year) companies located in Germany and four (four last year) companies located abroad have been included in the consolidated financial statements.

HanseYachts AG and its direct and indirect subsidiaries are to be included in the financial statements of Aurelius AG in Grünwald, which will be forwarded to the operator of the Bundesanzeiger and will be published via the web site of the business register.

Name of Company		Shareholding
Direct holdings:		
1. Dehler Yachts GmbH	Greifswald	100 % (last year 100 %)
2. Hanse (Deutschland) Vertriebs GmbH & Co. KG	Greifswald	100 % (last year 100 %)
3. Verwaltung Hanse (Deutschland) Vertriebs GmbH	Greifswald	100 % (last year 100 %)
4. Yachtzentrum Greifswald Beteiligungs-GmbH	Greifswald	100 % (last year 100 %)
5. HanseYachts US, LLC (Hanse US)	Savannah / USA	100 % (last year 100 %)
6. Technologie Tworzyw Sztucznych Sp. z o.o. (TTS)	Goleniów / Poland	100 % (last year 100 %)
7. HanseYachts TVH GmbH (HYTVH)	Greifswald	100 % (last year 100 %)
Indirect holdings:		
over No. 4		
Fjord Boats AS (Fjord Boats)	Vettnes / Norway	100 % (last year 100 %)
over No. 4		
Mediterranean Yacht Service Center SARL (MYSC)	Canet en Roussillon / France	100 % (last year 100 %)
over No. 7		
HanseYachts Technologie und Vermögensverwaltungs GmbH (HYTV)	Greifswald	100 % (last year 100 %)

Exemption Regulations for HanseGroup Enterprises

3.2. Consolidation Methods

By inclusion in HanseYachts AG's consolidated financial statements, the Hanse (Deutschland) Vertriebs GmbH & Co. KG intends to utilise the easing of disclosure regulations under the additional stipulations of Art. 264b of the German Commercial Code (HGB).

All of the companies included in the consolidated financial statements prepare annual financial statements or interim financial statements at the reporting date of the single-entity financial statements for HanseYachts AG, which serves as the reporting date for the consolidated financial statements.

The consolidated financial statements have been prepared on the basis of consistent recognition and measurement policies in accordance with IFRS. Wherever necessary, the financial statements of the subsidiary companies have been adapted so that the accounting policies adopted correspond to those used by the HanseGroup.

Subsidiaries are consolidated for the first time in accordance with IFRS 3 using the purchase method by offsetting the cost of the shares acquired against the proportionate share of the assets, liabilities and contingent liabilities of the subsidiaries, remeasured at the date of the acquisition. A positive difference arising after a purchase price allocation is recognised as goodwill under intangible assets in accordance with IFRS 3. Negative differences must be recognised in the income statement.

Intercompany profits and losses, revenues, expenditures and earnings as well as receivables and payables and or provisions between consolidated companies have been eliminated.

Intercompany profits included in inventories as a result of intra-HanseGroup supplies have been eliminated.

Sureties and guaranties assumed by the HanseGroup for the benefit of consolidated subsidiaries have been eliminated since the underlying liabilities are recognised in the consolidated financial statements.

3.3. Currency Translation

The annual financial statements prepared in foreign currencies of companies included in the consolidated financial statements are translated using the functional currency approach (IAS 21: „The Effects of Changes in Foreign Exchange Rates“).

The financial statements of Hanse US and Fjord, which are subsidiaries considered to be autonomous economic entities, are translated into euros in accordance with the modified method with the exchange rate in effect on the reporting date in accordance with IAS 21. The companies'

functional currencies are the US dollar and the Norwegian krone, respectively. Assets and liabilities are translated at the mean rate on the balance sheet date; items in the income statement are translated at the respective average rate on a monthly basis. Differences arising from the use of varying exchange rates for the balance sheet and the income statement are recognised directly in equity and reported separately in the provision for currency translation.

For TTS, the functional currency is the euro since business with the HanseGroup is mainly transacted in euros. Currency differences are recognised accordingly as profit or loss in the consolidated financial statements. As with TTS the essential investments and redemption have been completed, the non-monetary items of TTS's financial statements have now been measured at the historical exchange rates in line with the concept of functional currency.

Attention is drawn to the information provided under 4.22 relating to the rates of conversion used.

4. ACCOUNTING PRINCIPLES

4.1. General Principles

The consolidated financial statements have been prepared on the basis of the historical cost principle, with the exception of certain derivative financial instruments at fair value through profit or loss. Non-current assets held for sale are measured in accordance with IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations) with their carrying value or with lower fair value less selling costs, so long as this is lower.

The income statement has been structured in accordance with the nature of expense method.

4.2. Revenue Recognition

Revenues stem mainly from the sale of sailing yachts and motorboats. Revenues from the sale of products are recognised when the risks and rewards of ownership have been transferred to the customer, a price has been agreed or can be determined and it is probable that said price will be paid. Revenues are reported net of discounts, price reductions, customer bonuses and rebates.

4.3. Product-related Expenditures

The costs of advertising and sales promotion as well as other sales-related costs are expensed as incurred. Provisions are formed for possible warranty claims relating to products already sold on the basis of past experience while taking statutory and contractual periods into account. Moreover, additional provisions are created for known individual cases.

4.4. Expenditures for Research and Development

Development costs are capitalised in the balance sheet if all of the criteria have been fulfilled for recognition of internally generated intangible assets.

The manufacturing costs of internally generated intangible assets comprise all directly attributable costs for development projects approved and budgeted by management (for sailing or motor yacht types). The assets are depreciated over their average useful lives on a straight-line basis in proportion to the length of time involved.

So long as these development costs lead to assets, which must be capitalised as items of property, plant and equipment, these must be recognized under property, plant and equipment and depreciated on a straight-line basis over the anticipated useful life of said assets. In so doing, production forms for sailing yachts and motorboats, especially those manufactured internally by the HanseGroup, have been recognised as assets and as in the previous year have been depreciated using a straight-line basis over an estimated service life of between three to five years.

Research costs are recognized in the income statement when incurred.

4.5. Hedging

The HanseGroup makes use of derivative financial instruments fundamentally for hedging purposes in order to reduce currency and interest rate risks arising from business operations or from the financing requirements resulting from them. In accordance with IAS 39, all derivative financial instruments, such as interest rate swaps, are recognised at fair value. Derivatives that serve interest rate or currency hedging purposes within the HanseGroup in accordance with business management criteria do not meet the strict criteria for hedge accounting in accordance with IAS 39. They are classified as “financial assets and liabilities at fair value through profit or loss” and handled accordingly.

4.6. Financial Results

Financial results include interest income from cash deposits and the interest expense on loans as well as the expenditures and income from any interest rate hedges (current compensatory payments and changes in fair market value). These are recorded on the date, on which they occur. Moreover, financing-related foreign currency profits and losses, which are incurred in conjunction with investments implemented by TTS as well as their refinancing, have been included in the financial results.

4.7. Income Taxes

On the one hand, income taxes include financial obligations arising from the HanseGroup's taxable earnings. On the other hand they also include recognition of deferred tax assets and liabilities for all temporary differences between the carrying amounts of assets and liabilities in the consolidated balance sheet and their tax bases, in accordance with IAS 12 (Income Taxes). See also 4.19 and 4.20.

4.8. Cost of Raising Equity Capital

In accordance with IAS 32.37, costs directly associated with issuing equity capital in the previous year are not recognised as an expense but are deducted directly from the amount of the capital raised minus the tax benefit resulting from their deductibility for tax purposes. The HanseGroup has accounted for the legal and advisory costs directly connected with the IPO and the issuing fees of the sponsoring bank in accordance with IAS 32.37.

4.9. Intangible Assets

Individually purchased intangible assets are measured at cost on initial recognition. The cost of intangible assets acquired as part of a corporate merger is equal to their fair value on the date of the acquisition. After initial recognition, intangible assets are recognised at cost less cumulated amortisation and all impairment write-downs. Internally generated intangible assets are recognised as far as the conditions for such recognition have been fulfilled. The remainder of the costs are expensed in the period, in which they are incurred.

For intangible assets, it is initially necessary to determine whether their useful lives are finite or indefinite. Intangible assets with finitely useful lives are amortised pro rata on a straight-line basis over their useful economic lives and tested for possible impairment whenever there are indications that said intangible assets may be impaired. The amortisation period and method for intangible assets with finitely useful lives are reviewed at least at the end of each fiscal year. If the expected useful life or the expected rate of amortisation of the asset has changed, a different amortisation period or amortisation method will be selected. Changes of this nature are handled as changes in an estimate.

As in the previous year, the useful lives of intangible assets with finitely useful lives are between three and eight years.

For intangible assets with indefinitely useful lives, an impairment test is carried out at least once a year for the indivi-

dual asset or for the smallest cash-generating unit, to which it belongs. These intangible assets are not systematically amortised. The useful life of an intangible asset with an indefinitely useful life is reviewed once annually to determine whether the estimate that the useful life is indefinite is still justified. Should this prove not to be the case, the estimate would be changed from an indefinitely useful life to a finitely useful life on a prospective basis.

Intangible assets with an indefinite useful life remain unchanged relative to last year and contain the recognized good will (residual carrying amount: EUR 2.0 million) and trademark rights (residual carrying amount: EUR 1.6 million).

4.10. Goodwill

Goodwill is the positive difference between the cost of the investment and the fair value of the assets and liabilities acquired in the context of a company acquisition. Goodwill is not amortised but is instead tested at least once a year for impairment to determine the possible need for an unscheduled impairment write-down.

4.11. Impairment of Assets

The HanseGroup conducts an impairment review of intangible assets and items of property, plant and equipment as soon as there are indications of possible impairment. Impairment is assessed by comparing the carrying amount with the recoverable amount. The recoverable amount is the higher of the fair value less sales costs and the present value of the attributable future cash flows from continued use of the asset. If the carrying amount is higher than the recoverable amount, an impairment write-down is recognised in respect of the asset in the amount of the resulting difference. Reversals of impairment write-downs are recognised to the extent that the reasons for impairment write-downs recognised in previous years no longer exist.

The annual impairment test for the goodwill arising from initial consolidation and trademark rights is carried out at the

level of the cash-generating unit relevant for the test. Impairment is determined by comparing the carrying amount of the cash-generating unit including the attributable goodwill and the recoverable amount of the cash-generating unit. The recoverable amount for the purposes of this test is the value in use determined on the basis of discounted cash flows before taxes. If the carrying amount of the business unit exceeds its recoverable amount, an impairment write-down is recognised as profit or loss in the amount of the difference.

Unscheduled impairment write-downs of goodwill are not subsequently reversed.

The expected cash flow of the cash-generating unit is derived from the medium-term business plan of the Hanse-Group. With respect to the HanseGroup's business units, we draw your attention to the information provided under 4.24 (Segment Reporting).

Consequently, the cash-generating units correspond to legal entities or combinations of legal entities within the Hanse-Group, as on this basis internal reporting is communicated directly to the chief operating decision-makers and entrepreneurial arrangements are made. Planning is based on a time horizon of two years (two years last year). For subsequent periods, cash flow has been extrapolated on the basis of the expected rates of growth in each case. As in the previous year, the average rate of growth applied for perpetual benefits amounted to 1 %. The business plan is based in particular on assumptions with respect to the development of revenues, the cost of materials to total operating revenues ratio and budgeted capital expenditures. The rate of interest used to discount cash surpluses in fiscal year 2012/2013 amounted to between 11 % and 12 % (10 % to 11 % last year). The beta factors used ranged between 1.1 and 1.5 (1.5 last year). Goodwill of EUR 2.0 million (EUR 2.0 million last year) was subject to the impairment tests and not the scheduled depreciation of the underlying brands of EUR 1.6 million (EUR 2.6 million last year).

4.12. Property, Plant and Equipment

In accordance with IAS 16, property, plant and equipment is measured at cost less scheduled and, where appropriate, unscheduled impairment write-downs. The cost of repairs and maintenance are recognised as an expense on the date, on which they are incurred. Significant renewals and improvements are capitalised. Financing costs are not recognised as a component of acquisition or manufacturing costs, but are reported as an expense so long as the assets involved had been acquired prior to fiscal year 2009/10. Since fiscal year 2009/2010 financing costs have been capitalized, so long as the requirements for IAS 23 obtain.

The useful lives of property, plant and equipment have been adjusted to reflect the useful lives of the assets. Investment subsidies and allowances received are deducted from the cost of the relevant assets. Depreciation is recognised in proportion to the length of time involved on a straight-line basis using the following estimated useful economic lives:

	Years
Buildings and exterior facilities	5 – 40
Technical equipment and machinery	2 – 20
Office and business equipment	1 – 14

An impairment test is performed as soon as there are indications that the carrying amount of an asset is higher than its recoverable amount.

4.13. Finance Leasing

In conformity with IAS 17 (Leasing arrangements), the lessee is considered to have economic ownership of leased assets if said lessee bears all substantial risks and rewards incidental to ownership (finance leasing). All leased assets whose amount is material and which are subject to leases qualifying as finance leases are recognised at their fair value or at the lower present value of the lease payments. The assets are depreciated over their useful lives or over the term of the lease agreement.

Liabilities from finance leases are reported separately under liabilities and are recognised at the fair value of the leased object or at the present value of the future lease payments, so long as this figure is lower. Leasing payments comprise components for the financing charges and retirement of principal so that the remaining balance is charged a constant rate of interest. Liabilities are classified as current or non-current according to the term of the leasing agreement.

4.14. Inventories

Raw materials, consumables and supplies are generally measured at their average cost or the lower fair value. Work in progress and finished goods are measured at cost but at no more than their expected sales proceeds less costs not yet incurred. Measurement is based on the contract-related direct costs recorded in the production accounts. These direct costs include production wages and the cost of materials. In addition to materials and production overheads, commensurate shares of general administrative expenses have been included in the cost of production. Borrowing costs are not capitalised, as inventories do not represent qualifying assets due to the short time involved in producing them.

Partial recognition of profit in respect of work in progress and finished goods in accordance with the percentage of completion method was not undertaken because assembly-line production of sailing yachts does not meet the required conditions. Goods for resale are measured at the lower of cost and net realisable value.

4.15. Financial Assets and Financial Liabilities

Original Financial Instruments

In the HanseGroup, original financial instruments include trade receivables and other receivables, cash and cash equivalents as well as financial liabilities, trade payables and some of the other payables.

Original financial instruments are measured at fair value on

initial recognition; directly attributable transactions are added to financial assets and deducted from financial liabilities.

Receivables are measured at amortized cost within the framework of a follow-up assessment. Potential default risks are taken into account with valuation adjustments. Individual adjustments are made if there are indications of impairment such as late payments or information on significant financial difficulties on the part of the contractor and the cash value of anticipated future payments plus any proceeds from realisation of securities or other agreements that reduce the risk of default are below the carrying amount. Bad debts are written off.

Within the framework of a follow-up assessment, financial liabilities are evaluated at amortized cost under the effective interest method, where the interest expense corresponding to the effective interest rate is determined. The amortized costs thus determined correspond to the acquisition costs, while taking repayments and the amortisation of discounts into account.

That portion of long-term loans whose remaining term does not exceed one year is also regularly included in short-term financial liabilities. Corporate debt is only recognized as long-term debt when the HanseGroup has the unrestricted right to postpone settlement of the obligation by at least twelve months after the balance sheet date.

At the HanseGroup, no original financial instruments have been classified as instruments measured at fair value.

Derivative Financial Instruments

Derivative financial instruments such as forward currency transactions and interest-rate swaps are also used to hedge risk exposures from currency and interest-rate fluctuations. These hedges cover financial risks arising from booked transactions and currency risks as well as risks from pending transactions for goods and services.

In accordance with IAS 39, all derivative financial instruments are recognised at fair value in their initial determination. Fair

value is also relevant for measurement subsequent to initial recognition. The fair value of traded derivative financial instruments is in line with market value. This value can be positive or negative. If there is no market value, fair value can be calculated using recognised financial models. The fair value of derivatives is the present value of estimated future cash flow. To determine the fair value of forward exchange contracts, the forward exchange rate on the balance sheet date is used. Because the conditions for designation as a hedging instrument within the framework of hedge accounting have not been met, the derivative financial instruments of the HanseGroup are classified in the category „at fair value“ so that value adjustments of derivative financial instruments can be put directly in the income statement.

4.16. Grants from Government Bodies

Grants, to which the HanseGroup is legally entitled, are recognised as assets if it is established at the balance sheet date that the conditions for awarding them will be met with reasonable certainty, or have already been met, and if the application for the grants has been made to the awarding institution by the date of preparation of the financial statements, or if it is certain that the application will be made. Grants, to which the HanseGroup has no legal entitlement, i.e. whose award depends on assessments made by an official body, are recognised as receivables if the awarding body has made the decision to award the grant and if it is established with reasonable certainty at the balance sheet date that the conditions for the grant will be met.

The grants are recorded as a reduction in acquisition and production costs, provided that the subsidised assets had already been operationally utilised at the balance sheet date. As in the previous year, no grants were deducted from the acquisition and production costs of purchased assets in the period under review.

Public grants that become receivables to offset expenses or losses already incurred or to provide immediate financial support without any related costs in future shall be recog-

nised in income or loss for the period, in which they become receivables. As in the previous year, no grants were received that had an immediate positive impact on revenues and earnings in fiscal year 2012/13.

Grants received, which are subject to fulfilling certain conditions, are recognised as provisions or liabilities if non-fulfilment of the eligibility conditions is likely by the balance sheet date.

4.17. Other Liabilities

Other liabilities are reported at their recovery amounts and/or present value.

4.18. Provisions

Provisions are recognized when there is a present legal or de facto obligation to third parties occasioned by a past event; moreover it is probable (i.e. more likely than not) that an outflow of resources would be required to settle the obligation, and the amount of the outflow could be reliably estimated.

Provisions are measured for recognisable risks and uncertain liabilities in the amount of the probable performance amount and are not set off against any claims for recourse. The performance amount also includes increases in cost to be taken into account on the balance sheet date. Provisions with a term to maturity of more than twelve months are discounted at a current interest rate that is commensurate with the risks involved.

Provisions to cover guarantee obligations are formed by taking into account a previous and/or estimated future volume of damage claims. Provisions for guarantees are formed to cover the estimated costs at the time of the sale of the respective product and/or whenever knowledge is acquired about a concrete damage claim.

Provisions for restructuring measures are formed whenever a detailed, formal restructuring plan has been prepared, and this has been communicated to the parties involved.

Where an outflow of resources is possible but not overwhelmingly probable (contingent liabilities), the amount is not recognised in the financial statements as a provision but is described in the Notes to the Consolidated Financial Statements.

4.19. Deferred Taxes

Deferred tax assets and liabilities are recognised in accordance with IAS 12 using the liability (or balance sheet) method for temporary differences between the tax bases of assets and liabilities and their carrying amounts in the IFRS financial statements that are considered probable at the time of their reversal.

Deferred tax assets also include claims for reductions in taxes due to the expected utilisation of available loss carryforwards and tax credits in subsequent years. Deferred taxes are determined on the basis of the tax rates that will apply or are expected with sufficient probability to apply to the period when the asset or liability has been realised, in accordance with the current legal position in the individual countries.

Deferred tax assets are recognised with respect to temporary differences and tax loss carryforwards only if it is sufficiently probable that the resulting reductions in taxes will actually occur in future. The carrying amount of the deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available, against which the deferred tax asset can be utilised, at least in part. Deferred tax claims that have not been recognised are reviewed at each balance sheet date and recognised to the extent that it has become probable that future taxable profits will permit the deferred tax claim to be realised.

4.20. Current Tax Refunds and Tax Liabilities

Actual tax refunds and liabilities for the current and earlier periods are measured at the amount, for which repayments from the tax authorities or payments to the tax authorities are

expected. The calculation of the amounts is based on the tax rates and tax laws in force at the balance sheet date.

4.21. Assumptions and Estimates

In preparing the consolidated financial statements, assumptions have been made and estimates used, which have affected the method of reporting and the amounts of the assets, liabilities, income and expenses included in the financial statements.

Estimates and assumptions are used in particular for impairment tests of intangible assets and items of property, plant and equipment as well as deferred taxes, the establishment of consistent useful economic service lives across the entire HanseGroup, estimates of recovery risks for inventories (in particular inventories of used boats) as well as assessments of the collectibility of receivables and the measurement of provisions. On the date the consolidated financial statements were prepared, the subjective judgments and estimates underlying the assets and liabilities were not subject to any significant risks so that material adjustments are not expected to occur in the next fiscal year with respect to the assets and liabilities reported in the consolidated balance sheet.

Although these estimates are made according to the best of management's knowledge based on current events and measures being taken, actual results may differ from these estimates.

4.22. Currency Translation

The procedures adopted for currency translation in respect to foreign subsidiaries in preparing the consolidated financial statements are explained under the Consolidation Principles (3.3.).

In the subsidiaries' own single-entity financial statements, assets and liabilities in foreign currencies are measured using the rate of exchange on the balance sheet date. Gains and losses arising from currency translation are reported in

the income statement under Other operating income and Other operating expenses.

The relevant foreign currencies for the HanseGroup are the US dollar and the Polish zloty. For the purposes of currency translation, the HanseGroup uses the euro reference rates published by the European Central Bank. Developments in exchange rates were as follows:

	ECB EUR reference rate		Average rate for	
	30.06. 2013	30.06. 2012	Fiscal year 2012/13	Shortened fiscal year 2011/12
1,00 Euro				
USD	1,31	1,26	1,29	1,33
PLN	4,34	4,25	4,15	4,29

4.23. Consolidated Cash Flow Statement

The Cash Flow Statement has been prepared in accordance with the regulations of IAS 7. It shows the sources and applications of monetary funds. The payment flows presented in the cash flow statement are divided into cash flow from operating activities, from investing activities and from financing activities. The consequences of a change in the scope of consolidation are eliminated in the individual items.

Cash funds consist of the bank balances reported in the balance sheet, cash and cash equivalents as well as bank overdrafts.

In Cash flow from operating activities, non-cash operating income and expenses as well as gains and losses from the sale of non-current assets are eliminated. This section includes interest received, interest paid and income taxes paid. Cash flow from operating activities is determined using the indirect method.

Cash flow from investing activities comprises payments for investments in intangible assets as well as in property, plant and equipment. Payments for investments in non-current assets are not identical to the amounts for additions and

disposals shown in the statement of changes in non-current assets since grants are recorded as a reduction in the acquisition and production costs of purchased assets in so far as the subsidised assets have already been in use for operational purposes at the point in time, at which the claim to the subsidies had originated.

Cash flow from financing activities comprises new borrowings and repayments of financial liabilities and liabilities from finance leases as well as from incoming payments from capital increases.

4.24. Segment Reporting

In accordance with IFRS 8, identification of reportable operating segments is based on the „Management Approach“. According to this approach, external segment reporting shall be performed on the basis of internal financial reporting to the top decision-making organ (management board). In the HanseGroup, the management board of HanseYachts AG is responsible for evaluating and managing the HanseGroup's business success and is the highest management body in accordance with IFRS 8.

The HanseGroup only undertakes a breakdown of turnover revenues by product line. Altogether, production and sale of sailing yachts account for about 92 % of revenues (about 91 % last year). Attention is drawn to the information provided under 5.1.

Additional internal reporting is based on legal entities that do not represent segments according to IFRS 8. The remaining disclosures required in accordance with IFRS 8 for segment reporting by business segments have not been made because the relevant items are not directly attributable to the respective segments and reliable criteria for allocation are not available. As a consequence, the results, assets, liabilities, write-downs and amortisation as well as capital expenditures of the HanseGroup cannot be reliably allocated to Sailing Yachts, Motor Yachts and Other Segments because sailing yachts and motorboats are manufactured on one and

the same assembly line. Allocation on the basis of revenues or the number of boats produced would be arbitrary and would not provide any information of use for decision-making purposes. Direct allocation is also not possible. A breakdown using Sailing Yachts, Motor Yachts and Other Segments is also not internally communicated to, or utilised by, management as a control parameter.

In terms of segmenting by geographical segments, we refer readers to Point 8. The data apply to Germany (domestic market), EU countries and third-countries as the Hanse-Group's relevant, geographical markets. Allocation of external sales abroad is oriented to the location of the respective customers. Allocation of non-current assets to the respective regions is based on the location of the respective assets. The measurement principles for segment reporting are based on the IFRS standards utilised in the consolidated financial statements.

4.25. Non-current Assets Held for Sale

Non-current assets held for sale are classified as such and are recognised separately in the balance sheet if the associated carrying amounts are to be realised primarily through a sales transaction within twelve months and not through continued use. These assets are measured with their carrying amounts or with the lower fair value less selling costs and are no longer written-down according to schedule. Impairment losses are recognized if the fair value less selling costs is lower than the carrying value. Any impairment reversals due to an increase in fair value less selling costs are limited to the amount of the impairment loss previously recognised for the respective asset.

5. NOTES TO THE CONSOLIDATED INCOME STATEMENT

The income statement has been prepared in accordance with the nature of expense method.

The previous shortened fiscal year encompassed the period reviewed from 1 August 2011 to 30 June 2012. Consequently, a comparison of the current 12-month period under review for 2012/13 with the 11-month period from 2011/12 would thus only be of limited value.

Gains and losses arising from currency translation are reported in the income statement under Other operating income and Other operating expenses.

In general the individual items comprise the following:

5.1. Revenues, Changes in Inventories and Own Work Capitalised

	2012/13 In 1000 EUR	Shortened fiscal year 2011/12 In 1000 EUR
Revenues		
Sailing yachts	74.243	66.912
Motorboats	4.470	4.137
Marina	368	383
Other	1.851	1.843
	80.932	73.275
Change in inventories		
Work in progress	(3.595)	4.691
Finished goods	(261)	356
	(3.856)	5.047
Own work capitalised	1.115	1.472
Total operating revenues	78.191	79.794

Own work capitalised represents production moulds manufactured internally by the HanseGroup for sailing yachts and motorboats.

5.2. Other Operating Income

Other operating income consists of the following:

	2012/2013 In 1000 EUR	Shortened fiscal year 2011/2012 In 1000 EUR
Income from the reversal of provisions and derecognition of liabilities	990	270
Income from disposal of tangible assets and from disposal of non-current assets held for sale	530	684
mounts recharged mainly to dealers (warranties, marketing, trade fair costs, etc.)	465	748
Currency translation gains	53	218
Income from forward currency transactions	44	35
Other income	78	127
	2.160	2.082

Currency transaction gains and losses result primarily from currency conversion for commercial transactions that are billed in US dollars and Polish sloty. The profits from forward exchange transactions result from hedging against fluctuations in the exchange rate for the dollar. Exchange rate losses amounting to EUR 111K (EUR 145K last year) have been recognised under Other operating expenses as well as expenditures for forward exchange transactions of EUR 48K (EUR 144K last year) and an exchange rate profit of +EUR 40K under Net financial results (exchange rate loss: -EUR 89K last year). Net income from exchange rate differences while taking gains and expenditures involving forward exchange transactions thus amounted to -EUR 22K (-EUR 125K last year).

5.3. Cost of Materials

	2012/2013 In 1000 EUR	Shortened fiscal year 2011/2012 In 1000 EUR
Cost of raw materials, consumables and supplies	42.499	48.774
Cost of purchased services	3.569	3.841
	46.068	52.615

The cost of purchased services principally comprises laminating services, consultancy services for production planning and production cycling, services provided by equipment suppliers, carpentry work, final cleaning as well as painting, upholstery and installation work.

We draw attention to Chapter 6.4 (Inventories) with respect to impairments summarized under Cost of materials.

5.4. Personnel Expenses

	2012/2013 In 1000 EUR	Shortened fiscal year 2011/2012 In 1000 EUR
Wages and salaries	15.072	15.724
Social security, post-employment and other employee benefit costs	3.188	3.369
	18.260	19.093

Contributions to pension plan providers (defined contribution plans) amounting to EUR 1.117 million are contained in the item on social security contributions and expenditures for retirement benefits (EUR 1.359 million last year).

	2012/2013 In 1000 EUR	Shortened fiscal year 2011/2012 In 1000 EUR
Number of employees (average)	687	756
- Salaried staff	113	112
- Hourly-paid workers	574	644

Last year, Personnel expenses were charged for an appropriation to restructuring provisions of EUR 492K.

The HanseGroup employed an average of 687 people during the year (756 last year).

5.5. Other Operating Expenses

	2012/2013 In 1000 EUR	Shortened fiscal year 2011/2012 In 1000 EUR
Expenses for Marketing, Advertising, Travel, Licenses	4.919	4.685
Expenses for Legal advice and consulting, Office supplies, IT, Insurance	3.646	3.211
Expenses for Warranty, Shipping and Packaging	3.376	3.663
Expenses for Offices space, rental, repairs and maintenance, cars	2.442	3.210
Other expenses*	1.399	2.112
	15.782	16.881
*) Thereof		
Currency losses	111	145
Forward currency hedges	48	144
Value adjustments on receivables and losses in receivables	322	426

Other operating expenses were charged for an appropriation to restructuring provisions of EUR 669K last year.

5.6. Amortisation, Depreciation and Write-downs

The composition of amortisation, depreciation and write-downs is derived from developments in fixed assets and is presented in the statement of changes in the movement schedule of non-current assets (cf. 6.1 and 6.2):

	2012/2013 In 1000 EUR	Shortened fiscal year 2011/2012 In 1000 EUR
Amortisation and depreciation		
Intangible assets	357	209
Property, plant and equipment	3.987	3.717
	4.344	3.926
Impairment write-downs		
Property, plant and equipment	113	723
	4.457	4.649
Depreciation non-current assets held for sale	130	0
	4.587	4.649

Extraordinary impairment write-downs on property, plant and equipment affect production moulds for phased out or updated boat models. Moreover, extraordinary amortisation, depreciation and write-downs of EUR 130K (EUR 280K last year) were undertaken for the lower fair value of the exhibition and service building in Southern France, which has been recognised under the non-current assets held for sale since the last balance sheet date of the previous year.

The deduction of grants received from the cost of items of non-current assets resulted in a reduction in amortisation, depreciation and write-downs of EUR 548K in the period under review (EUR 589K last year).

5.7. Financial Results

	2012/2013 In 1000 EUR	Shortened fiscal year 2011/2012 In 1000 EUR
Interest income	1	13
Interest expense	(943)	(905)
Currency exchange rate loss TTS	40	(89)
	(902)	(981)

Interest expense mainly reflects the cost of servicing bank loans and our sales financing programme as well as changes in value and current compensatory payments in conjunction with hedging deals for interest rates that are recorded directly in the income statement with their negative market value.

Exchange rate gains of EUR 40K (exchange rate losses last year: -EUR 89K) resulted from exchange-rate differences to be recognized in the consolidated financial statements and caused by currency translation at TTS in fiscal year 2012/2013. These differences were assigned to the financial results as they were essentially contingent on financing and not allocable to business activities.

5.8. Income Taxes

Income taxes comprised the following:

	2012/2013 In 1000 EUR	Shortened fiscal year 2011/2012 In 1000 EUR
Current tax expense (-) / income (+)	(171)	61
Deferred tax income (+) / expense (-)	110	(48)
	(61)	13

Current tax expenses particularly affect obligations carried as liabilities for additional taxes expected from an ongoing tax audit for tax assessment periods from 2008 to 2010.

Deferred taxes essentially result from divergent tax-based and commercial measurement methods. In the period under review, deferred tax assets on tax-loss carryforwards were only formed in the amount of an existing surplus on the liability side of deferred taxes. As at the balance sheet date, deferred tax assets of EUR 139K were formed (EUR 208K last year).

As at 30 June 2013 the HanseGroup had corporate income tax-related loss carryforwards of around EUR 19.6 million (EUR 9.5 million last year) and trade tax loss carryforwards of about EUR 19.2 million (EUR 9.4 million last year). Losses that were incurred after the change in ownership in November 2011 have been exclusively taken into account. The loss carryforwards of around EUR 18.4 million (corporate income taxes: EUR 9.2 million last year) and/or around EUR 18.0 million (trade taxes: EUR 9.1 million last year) had not been taken into account for the recognition of deferred taxes on loss carryforwards as the requirements for this had not been met. Losses of non-domestic subsidiaries, whose business operations are to be closed down, have not been taken into account in the above-mentioned disclosures as utilisation is no longer to be expected. Moreover, temporary differences exist from internal transfer of property, plant, and equipment in past years, amounting to around EUR 2.8 million (EUR 6.6 million last year), for which deferred tax assets have also not been capitalized due to a failure to meet the necessary requirements.

Our Polish subsidiary operates in a special economic zone. There tax-related losses are not recognized. In return tax credits can be claimed that also provide relief from income taxes on taxable income. From the measurement of these benefits, deferred tax assets of EUR 16K are contained in the income taxes (Earnings: EUR 64K last year). The advantage of future tax credits in the special economic zone totals around EUR 2.1 million (EUR 2.2 million last year), approx. EUR 1.6 million thereof has not been capitalised (EUR 1.8 million last year). The tax rebates in Poland have a time limit until 2017.

The average tax rate assumed for the 2012/13 fiscal year remains unchanged at 29.7 % (29.7 % last year). Reconciliation of the expected tax expense based on the average tax rate to the actual tax expense is as follows:

	2012/2013 In 1000 EUR	Shortened fiscal year 2011/2012 In 1000 EUR
Earnings before taxes	-5.247	-12.344
Average overall tax rate	29,7%	29,7%
Expected income tax	-1.558	-3.666
Differences in tax rates	-138	-169
Tax effects of differences in the basis for tax assessment	-1.122	-776
Reassessment of deferred taxes	0	-18
Prior year taxes	121	299
Derecognition and measurement of deferred tax assets	2.944	4.329
Aperiodic effects	-148	0
Other items	-38	-12
Actual income taxes	61	-13
Group tax rate	-1,2%	0,1%

Deviations in tax rates reflect differences arising from the respective average tax rates applicable to the individual foreign subsidiaries.

Tax effects resulting from differences in the assessment basis for taxes mainly reflect amounts not deductible for tax purposes / nor can they be factored in, amounts that can be added or deducted in accordance with trade tax regulations as well as non-taxable grants already received.

Non-recognition of deferred tax assets on temporary differences and/or for losses incurred in the year under review have led to a corresponding increase in income tax expenses

and/or have not provided any relief from income taxes. Owing to the present deficit-plagued situation, deferred tax assets have only been formed up to the amount, up to which deficits were incurred during the period under review, and to the extent to which offsettable deferred tax liabilities exist at the respective enterprises.

5.9. Earnings per Share

Earnings per share are determined on the basis of the share in earnings of HanseYachts AG's shareholders and the average number of shares outstanding during the year and are shown as follows:

	2012/2013 In 1000 EUR	Shortened fiscal year 2011/2012 in 1000 EUR
Consolidated net earnings after taxes = Group's share of net earnings for this period	(5.308)	(12.331)
Weighted average of ordinary shares issued	7.000.000	6.672.727
Earnings per share in EUR	-0,76	-1,85

There are no dilutive shares so that basic earnings per share are the same as diluted earnings per share.



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6. NOTES TO THE CONSOLIDATED BALANCE SHEET

6.1. Intangible Assets

Developments in intangible assets were as follows:

IN 1000 EUR		Internally generated intangible assets	Industrial property rights and similar rights	Goodwill	Total
Cost	1. Aug. 2011	392	5.290	4.618	10.300
Currency differences		0	3	0	3
Additions		439	57	0	496
Reclassifications		0	1	0	1
Disposals		0	0	0	0
Cost	30. Jun. 2012	831	5.351	4.618	10.800
Amortisation, depreciation and write-downs	1. Aug. 2011	0	3.516	2.610	6.126
Currency differences		0	-4	0	-4
Additions		127	82	0	209
Disposals		0	0	0	0
Amortisation, depreciation and write-downs	30. Jun. 2012	127	3.594	2.610	6.331
Net carrying amounts	1. Aug. 2011	392	1.774	2.008	4.175
Net carrying amounts	30. Jun. 2012	704	1.757	2.008	4.470

IN 1000 EUR		Internally generated intangible assets	Industrial property rights and similar rights	Goodwill	Total
Cost	1. Jul. 2012	831	5.351	4.618	10.800
Currency differences		0	1	0	1
Additions		349	76	0	425
Reclassifications		0	52	0	52
Disposals		0	-2	0	-2
Cost	30. Jun. 2013	1.180	5.478	4.618	11.276
Amortisation, depreciation and write-downs	1. Jul. 2012	127	3.594	2.610	6.331
Currency differences		0	3	0	3
Additions		261	96	0	357
Disposals		0	0	0	0
Amortisation, depreciation and write-downs	30. Jun. 2013	388	3.693	2.610	6.691
Net carrying amounts	1. Jul. 2012	704	1.757	2.008	4.470
Net carrying amounts	30. Jun. 2013	792	1.785	2.008	4.585

In the item on internally generated intangible assets, the manufacturing costs have been recognised for development projects approved and budgeted by management (for sailing or motor yacht types). The sum of the expenditures for research and development, which have been recognised as an expense in this fiscal year, amounted to EUR 2.132 million (EUR 2.137 million last year).

In the item on "Intellectual Property Rights and Similar Rights" recognition is primarily focussed on licences for computer software used in the HanseGroup for production and administration as well as brand values.

Brand values (Fjord, Moody and Dehler) are not subject to any limits on use and will thus not be subject to scheduled

amortisation. The brand values for Fjord, Dehler and Moody have been recognized—nearly unchanged compared to last year—at their original and/or amortised acquisition costs of EUR 1.647 million (EUR 1.647 million last year).

The carrying amounts assigned after amortising Fjord as a cash-generating unit in previous years have remained unchanged at EUR 0K for goodwill and EUR 755K for brand value.

Goodwill assigned to TTS remained unchanged at EUR 2.0 million at the balance sheet date.

Attention is otherwise drawn to the information provided under 4.10. to 4.12.

6.2. Property, Plant and Equipment

Changes in the individual items of property, plant and equipment are shown in the following fixed-asset movement schedule.

IN 1000 EUR		Land and buildings including buildings on third-party land	Technical equipment and machinery	Other equipment, facilities and office equipment	Payments on account and assets under construction	Total
Cost	1. Aug. 2011	30.292	17.502	2.372	631	50.796
Currency differences		0	0	0	1	1
Additions		392	258	260	1.548	2.458
Reclassifications		163	1.032	55	-1.254	-4
Reclassification for sale purpose		-3.464	-261	-142	0	-3.867
Disposals		-370	-261	-159	-42	-832
Cost	30. Jun. 2012	27.013	18.270	2.386	884	48.552
Amortisation, depreciation and write-downs	1. Aug. 2011	6.805	10.645	1.718	47	19.215
Currency differences		22	-5	-1	-49	-33
Additions		1.517	2.610	313	0	4.440
Reclassification for sale purpose		-1.663	-83	-107	0	-1.853
Disposals		-156	-221	-112	0	-489
Amortisation, depreciation and write-downs	30. Jun. 2012	6.525	12.946	1.811	-2	21.280
Net carrying amounts	1. Aug. 2011	23.487	6.857	654	584	31.581
Net carrying amounts	30. Jun. 2012	20.488	5.324	575	886	27.273

IN 1000 EUR		Land and buildings including buildings on third-party land	Technical equipment and machinery	Other equipment, facilities and office equipment	Payments on account and assets under construction	Total
Cost	1. Jul. 2012	27.013	18.270	2.386	884	48.552
Currency differences		94	29	-5	1	119
Additions		25	176	199	1.359	1.759
Reclassifications		259	1.489	-40	-1.759	-51
Disposals		-326	-895	-226	-24	-1.471
Cost	30. Jun. 2013	27.065	19.069	2.314	461	48.909
Amortisation, depreciation and write-downs	1. Jul. 2012	6.525	12.946	1.811	-2	21.280
Currency differences		50	67	-5	5	117
Additions		1.222	2.589	289	0	4.100
Reclassifications		0	0	0	0	0
Disposals		-299	-777	-181	0	-1.257
Amortisation, depreciation and write-downs	30. Jun. 2013	7.498	14.825	1.914	3	24.240
Net carrying amounts	1. Jul. 2012	20.488	5.324	575	886	27.273
Net carrying amounts	30. Jun. 2013	19.567	4.244	400	458	24.669

Attention is drawn to the information provided under Item 6.8 relating to "reclassification for non-current assets held for sale".

Land and Buildings

The additions from the fiscal year under review relate to acquisition of a business property as well as investments in maintenance at our facilities in Poland. In the period under review, no grants were received by the HanseGroup so that no deductions were made from the acquisition costs for assets purchased during the fiscal year reported here. The residual carrying amounts of buildings recognized in the financial statements as at 30 June 2013 have been reduced

by grants received in previous years amounting to EUR 4.261 million (EUR 4.597 million last year).

The usual security interests exist for properties and buildings owned by the HanseGroup; these serve the HanseGroup's creditors as collateral for the loans that have been granted. The carrying amounts for assets serving as collateral amounted to EUR 17.789 million (EUR 20.208 million last year).

Technical Equipment and Machinery

While taking reclassifications into account, investments in technical equipment and machinery totalled EUR 1.665

million (EUR 1.290 million last year). They relate mainly to hull and deck moulds for new boat models.

The remaining carrying amount for technical equipment and machinery included in the financial statements as at 30 June 2013 has been reduced by grants received amounting to EUR 541K (EUR 755K last year).

The carrying amount for items of property, plant and equipment financed by finance lease amounts to EUR 1.235K (EUR 247K last year). The increase in debt resulted from a sale-and-lease-back transaction with respect to production forms. This transaction has fulfilled the requirements for a finance lease in accordance with IAS 17.

The usual security interests also exist for technical equipment and machinery for the loans that have been granted. The carrying amounts for assets serving as collateral amounted to EUR 2.616 million (EUR 1.997 million last year).

Other Assets, Operating and Office Equipment

Additions in the year under review cover the usual investments in IT and office equipment. This item includes assets costing below EUR 150.00 each, which were fully amortised in the year under review and for which a disposal of assets totalling EUR 31K has been assumed for the same year (EUR 10K last year).

The remaining book value for other assets, operating and office equipment included in the financial statements as at 30 June 2013 has been reduced by grants received in previous years amounting to EUR 1K (EUR 9K last year).

Assets under Construction

Assets under construction consist mainly of machinery and equipment (production forms) that have not yet been approved by a final inspection or are not yet operational.

6.3. Deferred Taxes and Income Taxes

Recognised deferred taxes relate to the following balance sheet items:

	30.06.2013		30.06.2012	
	active in 1000 EUR	passive in 1000 EUR	active in 1000 EUR	passive in 1000 EUR
Intangible assets	75	229	75	209
Property, plant and equipment	76	633	66	667
Receivables	0	19	1	16
Fair Value measurement of forward transactions	54	0	65	0
Inventories	73	0	169	0
Liabilities	159	0	153	3
Loss carryforwards	347	0	208	0
Tax relief	434	0	418	0
Consolidation adjustments	0	0	0	29
	1.218	881	1.155	924
Netting	(832)	(832)	(810)	(810)
	386	49	345	114

Deferred tax assets on intangible assets result from the divergent measurements for brand rights in the accounts prepared for tax purposes relative to the accounts prepared for financial reporting purposes. Deferred tax expenses on intangible assets relate exclusively to capitalised development costs. Deferred tax expenses on property, plant and equipment mainly cover an estimate of useful life that deviates from economic principles as well as the currency translation of fixed assets at historical exchange rates of the HanseGroup's Polish subsidiary that is considered an "integrated unit".

Deferred tax assets on tax-relief measures affect the special economic zone in Poland. Deferred taxes for future tax credits have only been capitalised for amounts, up to the amount at which deferred tax liabilities have been recognized and/or their future usability appears to be sufficiently



certain. The planning period used to evaluate such usability was three years (3 years last year). Deferred tax assets on losses incurred in the fiscal year reported here were exclusively formed in the amount of an existing surplus in deferred tax liabilities relative to a company-specific consideration. For companies included in the consolidated financial statements, deferred tax assets and deferred tax liabilities, respectively, will offset each other so long as they relate to the same tax authority.

Deferred tax assets and liabilities have the following expected terms:

	30.06.2013		30.06.2012	
	active in 1000 EUR	passive in 1000 EUR	active in 1000 EUR	passive in 1000 EUR
Short term deferred taxes	286	19	388	48
Long term deferred taxes	932	862	767	876
Netting	(832)	(832)	(810)	(810)
	386	49	345	114

For deferred taxes incurred for short-term assets (receivables, futures transactions and inventories) and liabilities, a reversal of the underlying temporary differences is expected within one year.

Income tax obligations recognized under liabilities affect the tax expense expected for fiscal years not yet assessed as well as additional taxes expected from an ongoing tax audit.

These taxes will be due within one year. Income tax obligations reported under liabilities are subdivided as follows:

	30.06.2013 In 1000 EUR	30.06.2012 In 1000 EUR
Foreign income tax	0	4
German income tax		
Corporate income tax	153	79
Solidarity surcharge	8	4
Trade income tax	276	158
	437	245

6.4. Inventories

	30.06.2013 In 1000 EUR	30.06.2012 In 1000 EUR
Raw materials and supplies	5.050	5.663
Work in progress	4.850	8.453
Finished goods and goods for resale	6.008	5.749
Advance payments and inventories	30	134
	15.938	19.999

Work in progress includes boats currently in production and finished plastic parts and items of furnishings made to order. Finished products and goods consist of boats still owned by the HanseGroup. All boats are produced to order or for boat shows. Goods for resale comprise second-hand boats. It is assumed that inventories will be turned over in the usual orderly course of business within 12 months.

Value adjustments recognized for the individual items in inventory assets are structured as follows:

	Raw materials and supplies		Work in progress		Finished goods and goods for resale		Advance payments on inventories		Total	
	2012/13	2011/12	2012/13	2011/12	2012/13	2011/12	2012/13	2011/12	2012/13	2011/12
Cost of acquisition or production	5.464	6.075	4.850	8.703	7.346	7.589	30	134	17.690	22.501
Provisions	-414	-412	0	-250	-1.338	-1.840	0	0	-1.752	-2.502
Book value 30.06.	5.050	5.663	4.850	8.453	6.008	5.749	30	134	15.938	19.999

Devaluations on net realizable values affect depreciation allowances for slow- or non-moving inventories on raw materials and supplies as well as write-downs on finished products and used boats. Changes in devaluations—as the balance of additions, releases and usage—have been recognised under Cost of materials. In the year under review, this led to relief for Cost of materials of EUR 750K (EUR 2.136 million last year).

The value adjustments formed for finished products and goods concern almost exclusively the used boat inventory. In taking possible resale risks into account, substantial value adjustments have been undertaken based on evaluations of the value of the entire used boat inventory obtained last year, which led to a corresponding charge on the HanseGroup's earnings situation. No additional significant value adjustments were necessary for fiscal year 2012/13. The decrease in value adjustments primarily resulted from the sale of used boats in the year under review and the accompanying usage or "disposals" of the value adjustments formed last year.

There are the usual collateral agreements (e.g., storage assignments of inventories, boats pledged as collateral, etc.) with house banks, a sales finance firm and an additional external financing partner with respect to raw materials and supplies as well as finished and unfinished products. The carrying amounts for inventories serving as collateral amounted to EUR 14.323 million (EUR 18.660 million last year).

6.5. Trade Receivables

	30.06.2013 In 1000 EUR	30.06.2012 In 1000 EUR
Trade receivables	4.175	2.612
Minus valuation allowances	-726	-486
	3.449	2.126

As in the previous year, the remaining maturity of all trade receivables is less than one year; the receivables are secured by the boats themselves, which will not be delivered until full payment of the sale price has been received. The carrying amount of cash and cash equivalents is equal to their fair value.

The expenses for collection losses and value adjustments in respect of trade receivables in the period under review amounted to EUR 322K (EUR 426K last year).

These adjustments were calculated on the basis of past experience with payment defaults and the age structure of the trade receivables.

Unimpaired trade receivables are set up according to time periods as follows:

	30.06.2013 In 1000 EUR	30.06.2012 In 1000 EUR
Neither overdue nor single-valued receivables	827	602
Overdue but not single-valued receivables		
Less than 30 days	423	853
Between 31 and 60 days	357	270
Between 61 and 90 days	440	51
More than 90 days	1.017	247
Totals	3.064	2.023
Residual carrying amounts for single-valued receivables	385	103
Reported values for trade receivables	3.449	2.126

The value adjustments for risks of default on trade receivables has developed as follows:

	2012/13 In 1000 EUR	2011/12 in 1000 EUR
Status as at 1. July / 1. August	486	257
Adjustments for the fiscal year		
- Additions	306	347
- Utilisations	-17	-63
- Reversals	-49	-55
Status as at 30. June	726	486

Loans granted by banks have been secured by a blanket assignment of part of the trade payables. The carrying amounts for assets serving as collateral amounted to EUR 2.635 million (EUR 1.728 million last year).

6.6. Other Assets

As in the previous year, Other assets all have a term to maturity that is in all likelihood less than one year.

	30.06.2013 In 1000 EUR	30.06.2012 In 1000 EUR
Other assets		
- VAT receivables	695	625
- Prepaid expenses	223	165
- Supplier accounts with debit balances	21	35
- Other	222	127
	1.161	952

Prepaid expenses consist principally of payments in advance for participating in trade fairs, for insurance premiums and for licencing fees.

6.7. Liquid Funds

	30.06.2013 In 1000 EUR	30.06.2012 In 1000 EUR
Bank balances	2.036	2.267
Cash in hand	10	10
	2.046	2.277

The carrying amount of cash and cash equivalents is equal to their fair value. They consist of demand deposits and call loans available whenever needed. Amounting to EUR 575K (EUR 740K last year), liquid funds are subject to constraints on disposition imposed by lending institutions that provide financing.

Bank balances held in foreign currencies comprised PLN 408K (EUR 94K), US\$282K (EUR 216K) and SEK 9K (EUR 1K).

6.8. Non-current Assets Held for Sale

Due to the planned closing down of the French subsidiary, the business properties and other fixed assets in France (EUR 1.035 million; EUR 1.190 million last year) as well as properties not considered essential to operations and buildings released for sale in Greifswald (EUR 839K; EUR 962K last year) have been classified as “held for sale” and have been recognized separately on the balance sheet.

Sale of the respective fixed assets at the site in France is expected to occur on short notice within the next twelve months. Negotiations are already being conducted with a potential buyer. At our Greifswald site, the so-called marina was sold to a local investor after the balance sheet date (see Section 14. Events after the Balance Sheet Date). With the sale of the marina during the fiscal year under review, revenues of EUR 368K were taken in (EUR 383K last year). Expenditures incurred in conjunction with the marina were not separately recognized or reported in the HanseGroup’s financial statements.

Write-downs of EUR 130K were undertaken for non-current assets held for sale in the fiscal year under review (EUR 0K last year). Attention is drawn to the information provided under 5.6.

Sale of assets available for liquidation led to a profit of EUR 350K in the year under review.

6.9. Equity

Developments in equity are presented in the statement of changes in equity.

Share Capital

The fully paid-up share capital of HanseYachts AG as at 30 June 2013 amounted to EUR 7.0 million (EUR 7.0 million last year), divided into 7.0 million (EUR 7.0 million last year) no-par value shares with a nominal value of EUR 1.00 each. All of the shares are bearer shares.

At the general shareholders’ meeting on 2 February 2010, HanseYachts AG was authorised to purchase its own shares up to 10 % of current share capital in accordance with Art. 71, Para. 1, No. 8 AktG. This authorisation will remain valid until 1 February 2015. As at 30 June 2013, HanseYachts AG did not hold any of its own shares.

Authorised Capital

At the general meeting of the HanseYachts AG on 2 February 2011, the shareholders resolved to authorise the management board of HanseYachts AG, subject to the consent of the supervisory board, to increase the HanseYachts AG’s share capital against cash or in-kind contributions on or before 31 January 2016 by up to EUR 3 200 000 by issuing new no-par value shares on a one-off or multiple basis. Last year, 600 000 shares were issued from authorised capital; consequently, authorised capital amounted to EUR 2 600 000 as at 30 June 2013.

Furthermore, the management board was authorised, subject to the consent of the supervisory board, to determine any additional substance of the rights attaching to these shares and the terms and conditions for issuing said shares. In addition, the management board was authorised, subject to the supervisory board’s consent, to preclude shareholders’ pre-emptive statutory rights.

Capital Reserves

In fiscal year 2012/2013, the capital reserves of the HanseGroup amounting to EUR 9.189 million (EUR 8.819 million last year) were used to offset current deficits in accordance with Art. 150, Para. 4, No. 1 AktG.

Residual capital reserves are subject to the restrictions of Art. 150 of the AktG.

6.10. Other Provisions

Provisions have developed as follows:

	1. July 2012 In 1000 EUR	Utilisations In 1000 EUR	Release In 1000 EUR	Additions In 1000 EUR	30. June 2013 In 1000 EUR
Dealer bonuses	214	153	61	176	176
Warranty claims	1.944	774	368	927	1.729
Restructuring	1.299	996	48	0	255
	3.457	1.923	477	1.103	2.160

	1. August 2011 In 1000 EUR	Utilisations In 1000 EUR	Release In 1000 EUR	Additions In 1000 EUR	30. June 2012 In 1000 EUR
Dealer bonuses	53	50	3	214	214
Warranty claims	1.452	525	75	1.092	1.944
Restructuring	0	0	0	1.299	1.299
	1.505	575	78	2.605	3.457

The reserves for dealer bonuses contain the probable expenditures for retroactive remuneration of dealers who have either achieved their performance targets for past fiscal years or have exceeded them.

Provisions for guarantees contain costs estimated for guarantee work on boats that have been sold during the guarantee period as well as for legal fees in conjunction with guarantee claims. Attention is drawn to the information provided under 4.3.

As at 30 June 2013, the provisions for restructuring concerned possible repayment obligations for subsidies received in past years, for which compliance with the eligibility conditions for financial support were no longer sufficiently certain on account of the restructuring measures already implemented (EUR 255K; EUR 258K last year).

All of these obligations are basically due to expire within one year. Cost increases and/or interest factors have not been taken into account due to the short-term character of the expiration date. Exchange-rate differences are also contained individually in the schedule of provisions in the column entitled "Appropriations".

6.11. Liabilities

Financial Liabilities

Financial liabilities include obligations, for which interest is charged as at the balance sheet date. They are subdivided by term as follows:

	30.06.2013 In 1000 EUR	30.06.2012 In 1000 EUR
Liabilities to bank / other lenders		
Up to 1 year	7.738	9.304
1 to 5 years	491	27
	8.229	9.331
Liabilities to related parties		
Up to 1 year	2.546	2.000
	10.775	11.331

Liabilities of EUR 7.602 million owed to banks consist mainly of loans charged fixed rates and variable rates of interest as well as credit lines that have been utilised. All are denominated in euros (last year: up to PLN 1.207 million/EUR 284K).



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Moreover, a loan has been taken out from an external financing partner that has been included in financial liabilities in the amount of EUR 627K as at the balance sheet date. This loan of EUR 469K is due to expire in more than one year.

In addition to the above-mentioned liabilities owed to banks and other lending parties, as in the previous year there is an additional loan of EUR 2.0 million as well as one for EUR 500K (plus accrued interest of EUR 46K) in the item on the balance sheet entitled Liabilities owed to related parties under short-term liabilities. Both loans are generally due to expire within one year.

With respect to the expected liquidity outflow, attention is drawn to Item 9.2., with respect to hedging interest rates attention is drawn to Item 9.3., with respect to fair value attention is drawn to Item 9.5., and with respect to maturity attention is drawn to the information provided under Item 9.6.

With regard to the assets serving as collateral for financial debt, attention is drawn to the information provided in Items 6.2., 6.4., 6.5. and 6.7.

Liabilities from Finance Leasing

Liabilities from finance leases are recognised at the present value of future lease instalments. Leasing items are assets under Property, plant and equipment. Minimum leasing instalments are reconciled to the present value as follows:

	30.06.2013 In 1000 EUR	30.06.2012 In 1000 EUR
Present value of lease payments		
Up to 1 year	685	51
1 to 5 years	589	137
	1,274	188
Interest component		
Up to 1 year	125	6
1 to 5 years	35	8
	160	14
Minimum lease payments		
Up to 1 year	810	57
1 to 5 years	624	145
	1,434	202

The increase in debt from finance leasing has resulted from a sale-and-lease-back transaction for certain production forms. This transaction meets the requirements for a finance lease in accordance with IAS 17.

Other Liabilities

As in the previous year, all of the liabilities shown below fall due within one year.

	30.06.2013 In 1000 EUR	30.06.2012 In 1000 EUR
Payments received on account for orders	5.661	6.512
Trade payables	14.220	11.777
Liabilities to related parties	2.635	2.950
Other liabilities		
Liabilities for staff costs	2.093	2.246
Customer accounts with credit balances	153	107
VAT payables	71	187
Other	140	196
	2.457	2.737
	24.973	23.976

Payments on account received relate to payments in advance for sailing yachts and motorboats, which have already been ordered. Liabilities for staff costs mostly comprise normal amounts due for wages and salaries amounting to EUR 578K (EUR 702K last year) and outstanding holiday entitlements and overtime of EUR 1.038 million (EUR 1.106 million last year).

With respect to Liabilities owed to related persons/companies, attention is drawn to the information in the previous sub-item and/or Item 11.

7. NOTES ON THE CONSOLIDATED CASH FLOW STATEMENT

Interest payments reported net under Cash flow from operating activities comprise almost exclusively that which has been paid and have included interest received only to a negligible extent.

Income tax payments were not incurred in the year under review (last year: payments made EUR 11K, payments received EUR 15K).

Cash flow from investing activities comprises payments for investments in intangible assets as well as in property, plant and equipment. Disposals of assets have led to revenues of EUR 1.282 million (EUR 125K last year). These include payments received for disposals of fixed assets from last year amounting to EUR 559K, for which the corresponding sale price receivables were already recognized as at last year's balance sheet date. The high income from disposals of fixed assets resulted from the sale of assets not essential for operations within the framework of a restructuring program initiated last year.

In addition to repayment on principal of existing loans as well as new loans, Cash flow from financing activities primarily contains payments in conjunction with a sale and lease back transaction for certain production forms, which has been classified as a so-called finance lease in accordance with IAS 17. This transaction led to payments received of EUR 1.638 million. The ongoing repayment of debt arising from finance leasing has led to corresponding payment outflows.

8. NOTES ON SEGMENT REPORTING

In total, production and sale of sailing yachts account for a major proportion (about 92 %) of revenues (about 91 % last year). With respect to analysing revenues by product segments, please refer to the information given under Item 5.1. No further information on segment reporting by business division has been provided for the reasons given under Item 4.24.

In the following, analyses by geographical aspects have been undertaken. For purposes of providing segment information by region, revenues are determined according to the location of customers, while other items are determined according to the venues of the HanseGroup's companies.

vered only after the full amount of the sale price has been received—regardless of simultaneous or prior revenue recognition. Exceptions to this rule require the approval of the management board.

2011/12	Inland In 1000 EUR	EC-Countries In 1000 EUR	Third-Countries In 1000 EUR	Consolidation In 1000 EUR	Total In 1000 EUR
Turnover	45.263	33.520	24.155	-29.663	73.275
Segment assets	61.053	10.493	1.444	-13.389	59.601
Investments	2.398	556	0	0	2.954

2012/13	Inland In 1000 EUR	EC-Countries In 1000 EUR	Third-Countries In 1000 EUR	Consolidation In 1000 EUR	Total In 1000 EUR
Turnover	46.072	30.874	35.785	-31.798	80.933
Segment assets	53.154	9.860	969	-9.875	54.108
Investments	1.842	338	4	0	2.184

Domestic segment assets account for EUR 839K (EUR 962K last year) of non-current assets, which are being held for sale. Segment assets accounted for by the EU member States affect non-current assets held for sale in the amount of EUR 1.035 million (EUR 1.190 million last year).

Other financial assets are mostly due from government bodies. Bank balances are maintained at banks with sound credit ratings.

The HanseGroup is exposed to credit risks with derivative financial instruments; these risks result from failure to fulfil contractual agreements on the part of the other party to the contract. Credit risks can be minimized by only concluding such business arrangements with contractual partners of first-class creditworthiness.

9. MANAGEMENT OF FINANCIAL RISKS

9.1. Default and Credit Risks

Default risk refers to the risk of insolvency of a contractual partner and the credit risks associated with cash deposits and derivative financial instruments. For the most part, the HanseGroup is only exposed to the risk of insolvency on the part of dealers and their customers.

In order to minimise this default risk, the HanseGroup generally requires payments on account from the dealers or their customers up to the point of completion of a sailing yacht, which has been ordered; the payments are then deducted from the contractual sale price. Yachts are physically deli-

As in the previous year, the maximum risk of defaulting as at the balance sheet date corresponds to the carrying amounts of Trade receivables, Other assets as well as Liquid funds recognised in the balance sheet.

9.2. Liquidity Risks

Liquidity risks refer to the risk that the HanseGroup would not be in a position to fulfil its financial obligations as they fall due. In order to manage and control liquidity, the HanseGroup has its own short-term financial planning. With the aid

of this financial instrument, it has been possible to guarantee short-term liquidity at all times on the basis of cash flow from operating activities and overdraft facilities made available by banks as well as cash and cash equivalents. By means of this short-term financial planning, the HanseGroup can ensure that sufficient funds are available on call in order to be able to cover expected business expenses including funds needed to service financial obligations. Undiscounted gross cash flow payments (on interest and principal) for financial liabilities are structured as follows:

		In 1000 EUR	Residual term		
			Up to 1 year In 1000 EUR	1 to 5 years In 1000 EUR	over 5 years In 1000 EUR
Financial Debt	(Last year)	8.701 (10.195)	5.627 (5.027)	3.074 (4.755)	0 (413)
Current finance lease liabilities	(Last year)	1.434 (202)	810 (57)	624 (145)	0 (0)
Trade payables	(Last year)	14.220 (11.777)	14.220 (11.777)	0 (0)	0 (0)
Liabilities to related parties	(Last year)	2.735 (2.950)	2.735 (2.950)	0 (0)	0 (0)
Other liabilities	(Last year)	153 (107)	153 (107)	0 (0)	0 (0)
		27.243	23.545	3.698	0
	(Last year)	(25.231)	(19.918)	(4.900)	(413)

Whenever interest payments have been based on variable parameters, undiscounted amounts have been determined on the basis of the yield curve at the end of the reporting period.

For overdraft facilities utilised by the HanseGroup (EUR 2.186 million; EUR 2.356 million last year), repayment on a short-term basis is assumed. Due dates expected for payments on interest and principal for long-term loans correspond altogether to the repayment plans originally agreed upon in accordance with economic principles, whereas foreseeable unscheduled payments on principal have been taken into account in conjunction with the sale of assets not essential for operations, which serve as collateral for the respective lending institution. Attention is drawn to the information provided under Item 9.6 and/or that included in the consolidated management report (Chapter 9 Events after the Balance Sheet Date).

Liabilities owed to related companies/persons contain a fundamentally short-term loan (EUR 2.0 million) that will first be repaid when open bank overdrafts owed to lending institutions have been settled.

9.3. Interest Rate Risks

For purposes of financing the HanseGroup, HanseYachts AG enters into loan agreements, some of which provide for variable rates of interest. The intention is to benefit from oppor-

tunities to reduce financing costs should interest rates for loans drop. The HanseGroup is therefore exposed to interest rate-related cash-flow risks.

To protect against the risks of fluctuations in interest rates on existing loans, the HanseGroup has entered into hedging transactions. The interest rate risk is hedged on a case-by-case basis. The amounts and maturities of the hedging instruments match the repayment structures of the loans.

In the period under review, financial instruments in the categories of "loans and receivables", "financial liabilities measured at cost" and "liabilities / assets measured at fair value through profit or loss" have led to interest expenses totalling EUR 975K (EUR 844K last year). Income from market measurement of interest swap transactions of EUR 92K

(EUR 43K last year) as well as interest charged on additional taxes arising from a tax audit have not been included in this amount as at the balance sheet date. As in the previous year, interest income has only accrued to a negligible extent.

Interest Rate Sensitivity Analyses

In the following segment, the results of a sensitivity analysis are shown with respect to the risk of fluctuations in interest rates for derivative and non-derivative financial instruments as at the balance sheet date. Financial instruments with fixed interest rates are measured at amortised cost and thus are not subject to interest sensitivity in accordance with IFRS 7. For variable interest-bearing liabilities, this analysis is conducted on the hypothesis that the amount of the outstanding liability on the balance sheet date has been outstanding for the entire year. Within the framework of assessing interest rate risks, an increase or decrease of the interest rate by 100 basis points is assumed. This represents the management board's assessment with respect to a well-founded, possible fluctuation in the interest rate. Such an increase would lead to additional interest income of EUR 11K p.a. for the HanseGroup from its present underlying transactions and contracts on interest-rate swaps (EUR 17K p.a. last year). A decrease of 100 basis points in the interest rate would lead to an interest expense of EUR 7K p.a. (EUR 17 p.a. last year). As revenues and expenses of all financial instruments included in the analysis are included in the income statement, there would not be any additional impact on equity.

Contracts for Interest Rate Swaps

In an interest rate swap the HanseGroup trades fixed and variable payments that were calculated on the basis of stipulated nominal amounts. Such agreements permit the HanseGroup to reduce the risk involved with fluctuating interest rates assessed at fair value of financial liabilities at fixed interest rates and the risk of payment flow of financial liabilities at variable interest rates. Fair value of interest rate swaps on the balance sheet date is determined by discounting future cash flow using interest structure curves on the balance sheet date and the credit risks involved in the con-

tracts in accordance with the mark-to-market method (procedures, in which all input parameters significantly affecting fair value are either directly or indirectly observable (Step 2 for the purposes of IFRS 7.27a)). This fair value is shown in the following table together with the nominal amounts.

The following table shows the nominal amounts and fair value of outstanding interest rate swaps at the balance sheet date:

	30.06.2013		30.06.2012	
	Fair value	Nominal value	Fair value	Nominal value
	In 1000 EUR	In 1000 EUR	In 1000 EUR	In 1000 EUR
Interest rate swaps	-228	3.023	-320	3.898

Interest rate swaps are reconciled every six months. Fair value represents the prices, at which unrelated third parties would acquire the rights or assume the obligations arising from the financial instruments. Fair values are the current values of the derivative financial instruments, without taking into account any inverse movements in the values of the respective hedged transactions.

Derivative financial instruments are measured as financial assets or financial liabilities at fair value through profit or loss, as the stringent demands of hedge accounting in accordance with IAS 39 have not been fulfilled. For this reason, the fair value of derivative financial instruments is carried under Short-term financial debt in the balance sheet. An adjustment in fair value on the balance sheet date is carried in the HanseGroup's Net financial results.

9.4. Currency Risks

Currency risks represent the risk of changes in the value of items in the financial statements as a result of fluctuations in exchange rates. For the HanseGroup, this risk arises in particular in relation to cash inflow in US dollars resulting from supplying goods and services to dealers outside of the Eurozone.

On the basis of forecasts of expected US dollar inflow, the HanseGroup sells US dollars forward on a targeted basis for the dates of expected cash inflow in order to hedge against any negative exchange rate effects. As at the balance sheet date, 30 June 2013, the following forward transactions were pending in US dollars:

Currency	30.06.2013		30.06.2012	
	Fair value	Nominal value	Fair value	Nominal value
	In 1000 EUR	In 1000 USD	In 1000 EUR	In 1000 USD
US-Dollar	-11	500	-6	1.020

Fair value represents the prices, at which unrelated third parties would acquire the rights or assume the obligations arising from the financial instruments. Fair value calculated on the basis of recognised financial models (procedures, in which all input parameters significantly affecting fair value are either directly or indirectly observable (Step 2 for the purposes of IFRS 7.27a)), represent the current values of the derivative financial instruments, without taking into account any inverse movements in the values of the respective hedged transactions.

Derivative financial instruments are measured as financial assets or financial liabilities at fair value through profit or loss, as the stringent demands of hedge accounting in accordance with IAS 39 have not been fulfilled. Fair value is recognized under Other short-term liabilities in the balance sheet. An adjustment in fair value on the balance sheet date is recognized in the HanseGroup's Other operating expenses and/or Other operating income.

With a 10-% depreciation of the exchange rate for euros to US dollars (where the dollar would weaken in relation to the euro), the results of measurement of foreign-currency forwards would increase by EUR 36K (EUR 73K last year). With a 10-% appreciation of the exchange rate for euros to US dollars, the results of measurement of foreign-currency forwards would decrease by EUR 41K (EUR 89K last year).

With a 10-% depreciation of the exchange rate for euros to US dollars, the results of measurement of foreign-currency forwards would increase by EUR 73K (EUR 77K last year).

Trade receivables in foreign currency amounted to EUR 507K on the balance sheet date (EUR 109K last year). This corresponded to a 14.7-% proportion of total trade receivables (5.1 % last year). We have trade receivables in the following currencies:

	30.06.2013 In 1000 EUR	30.06.2012 In 1000 EUR
USD	472	40
NOK	26	64
PLN	9	5
	507	109

A 10-% fluctuation either plus or minus in the value of foreign currency relative to the euro as at the balance sheet date would have had an impact on our consolidated HanseGroup earnings after taxes and/or equity of EUR 56K (EUR 12K last year) and/or -EUR 46K (-EUR 10K last year), respectively.

Moreover, our Polish subsidiary is also exposed to currency risks resulting from transactions with the HanseGroup that are settled in euros. These currency risks have been hedged using euro/zloty forward transactions. As at the balance sheet date on 30 June 2013 and the balance sheet date of the previous year, there were no pending forward transactions in zloty.

Liabilities in foreign currency consisted of obligations in the following currencies:

	30.06.2013 In 1000 EUR	30.06.2012 In 1000 EUR
USD	0	2
NOK	211	167
PLN	860	511
	1.071	681

Moody DS62



A 10-% fluctuation either plus or minus in the value of foreign currency relative to the euro as at the balance sheet date would have had an impact on our consolidated HanseGroup earnings after taxes and/or on equity of -EUR 119K (-EUR 73K last year) and/or EUR 97K (EUR 64K last year), respectively.

9.5. Fair Value

The fair value of the financial assets and liabilities reported in the consolidated balance sheet are generally determined with reference to available information on the market. The fair

value of interest rate swap contracts and forward currency transactions is determined using recognised mathematical models on the basis of the market data available at the time of such calculations.

Owing to the short duration, the carrying amounts of current financial assets and debt correspond to fair value. With non-current financial assets and debt, interest rates correspond to the usual market interest levels and/or the volumes are of such a manageable size that here the carrying amounts also correspond to fair value.

	Category as per IAS 39	30.06.2013		30.06.2012	
		Carrying value	Fair value	Carrying value	Fair value
		In 1000 EUR	In 1000 EUR	In 1000 EUR	In 1000 EUR
FINANCIAL ASSETS					
Short-term financial assets		5.601	5.601	4.451	4.451
Trade receivables	lar	3.449	3.449	2.126	2.126
Residual short-term financial assets	lar	106	106	48	48
Cash and cash equivalents	lar	2.046	2.046	2.277	2.277
Total financial assets		5.601	5.601	4.451	4.451
FINANCIAL LIABILITIES					
Long-term financial liabilities		1.080	1.080	165	165
Bank loans and other loans	flac	491	491	28	28
Finance lease	flac	589	589	137	137
Short-term financial liabilities		25.431	25.431	24.189	24.189
Trade payables	flac	14.220	14.220	11.777	11.777
Bank loans	flac	7.499	7.499	8.978	8.978
Interest swaps with negative market values	fvtpl	239	239	326	326
Finance lease	flac	685	685	51	51
Liabilities to related parties	flac	2.635	2.635	2.950	2.950
Other short-term liabilities	flac	153	153	107	107
Total financial liabilities		26.511	26.511	24.354	24.354

lar = loans and receivables
flac = financial liability at cost
fvtpl = fair value through profit and loss

In aggregate form, financial assets and debt can be seen in the following table:

	30.06.2013		30.06.2012	
	Book value	Fair value	Book value	Fair value
	In 1000 EUR	In 1000 EUR	In 1000 EUR	In 1000 EUR
Loans and receivables	5.601	5.601	4.451	4.451
Fair value through profit and loss	239	239	326	326
Financial liability at cost	26.272	26.272	24.028	24.028

The net results taken into account in the statement of recognised income and expenses for financial assets and debt comprise the following:

30. June 2013	Category			
	lar	flac	fvtpl	Total
	In 1000 EUR	In 1000 EUR	In 1000 EUR	In 1000 EUR
Currency translation differences	-58	40	0	-18
Release of bad debt allocations	49	0	0	49
Valuation adjustments on receivables and losses in receivables	-322	0	0	-322
Compensation payment from SWAP / Currency futures	0	0	-138	-138
Valuation of SWAP transactions	0	0	87	87
	-331	40	-51	-342

30. June 2012	Category			
	lar	flac	fvtpl	Total
	In 1000 EUR	In 1000 EUR	In 1000 EUR	In 1000 EUR
Currency translation differences	72*	-89	0	-17
Release of bad debt allocations	109	0	0	109
Valuation adjustments on receivables and losses in receivables	-426	0	0	-426
Compensation payment from SWAP / Currency futures	0	0	-229 */**	-229
Valuation of SWAP transactions	0	0	-48	-48
	-245	-89	-277	-611

*) Prior year figures adjusted

**) onjoning compensation paymrnts from SWAP agreements (-EUR 121K) are recorded additional

9.6. Capital Management

The basic principle of the management board is to maintain a stable capital base in order not to lose the confidence of its creditors and markets and to be equal to any future developments in its business. With respect to our adequate equity position with an equity-to-total capital ratio of approx. 31 % (37 % last year), our efforts in the year under review were focussed on managing liquidity. The most important indicator in this context is Net working capital (working capital minus trade payables).

The contracts for three bank loans call for compliance with certain key fiscal indicators, which the HanseGroup and its subsidiaries have had to verify on the basis of their annual financial statements. For all three contracts, dynamic and static debt gearing is the key indicator at the centre of interest and as such represents the target figures for capital management and is thus regularly monitored.

Any violation of fiscal indicators would trigger an extraordinary right of cancellation on the part of lenders that in such cases would be justified in demanding immediate repayment of the respective loan. This could possibly result in making

such financing more expensive or in causing an unanticipated need for financing to arise. In the year under review, compliance was not possible with any of these covenants, for which a credit term exists.

The lending institutions involved in the financing were informed early on about the expected failure to comply with the criteria with the aid of planning and budgeting forecasts. As in previous years, the HanseGroup appealed to the lending institutions involved in the financing with requests in writing not to pursue the consequences of such failure to comply with said covenants. The management board assumes that all commercial banks will declare their willingness to forgo exercising their right to early termination of the loan contracts after the management report has been prepared. For this reason, the HanseGroup has recognized the corresponding corporate debt of EUR 3.087 million (EUR 4.592 million last year) as short-term in the balance sheet as at 30 June 2013 as, in accordance with IAS 1.69(d) and/or IAS 1.74, the HanseGroup did not have an unrestricted right on the balance sheet date to defer settling its obligations for at least twelve months after the balance sheet date.

In order to manage and control liquidity, the HanseGroup has its own short-term financial planning. By means of this short-term financial planning, the HanseGroup can ensure that sufficient funds will be available on call in order to be able to cover expected business expenditures. With respect to measures undertaken to cover anticipated capital needs, attention is drawn to the information in the consolidated management report (Chapter 7.3.4. Financial Risks/Liquidity Situation and/or Chapter 9 Events after the Balance Sheet Date).

9.7. Impairment of Financial Assets

Impairment write-downs of current financial assets only relate to trade receivables. They consist of individual valuation adjustments in each case. Attention is drawn to the information provided under 6.5.

10. CONTINGENT LIABILITIES, OTHER FINANCIAL OBLIGATIONS AND LITIGATION

10.1. Contingent Liabilities

A financing programme has been established with an independent sales finance firm, with the aid of which dealers can finance acquisition of their boats from the HanseGroup. This financing programme was utilised in the amount of EUR 1.206 million (EUR 1.623 million last year) as at the balance sheet date. Under certain circumstances, there exists a buyback obligation on the part of the HanseGroup for boats financed with funds from this financing programme, to the extent that participating dealers do not honour their commitments to the sales finance firm. To secure possible buyback obligations on the part of the HanseGroup, payment guarantees have been made available by its house banks amounting to EUR 840K (EUR 1.220 million last year), which have been collateralized by pledging liquid funds amounting to EUR 575K (EUR 740K last year).

As the contracts with this sales finance firm have initially provided for a resale period for the boats to be assigned by dealers to the sales finance firm as collateral, the risk of a possible compulsory buyback is considered to be low.

The HanseGroup is liable for additional sureties of up to EUR 87K (EUR 87K last year).

The HanseGroup is not liable for any contingent liabilities to third parties.

10.2. Other Financial Obligations

Other financial obligations primarily include those for leasing, rental and tenancy agreements shown in the following: The respective terms agreed upon or expected in the contractual relationships have been taken into account.

	30.06.2013 In 1000 EUR	30.06.2012 In 1000 EUR
Due within one year	413	380
Due after one year	1.034	1.446
	<u>1.447</u>	<u>1.826</u>

In addition to the above-mentioned financial obligations, there are service contracts that can be terminated on short notice with individual companies in the AURELIUS Group in Munich. The monthly expense to be expected in conjunction with these service contracts with associated companies will amount to up to EUR 90K. Additional clarification can be found in the section on Transactions with Related Individuals.

In the past fiscal year, expenses incurred by operating lease contracts were EUR 87K (EUR 49K last year).

10.3. Litigation

Neither HanseYachts AG nor any of its HanseGroup companies are parties to current or foreseeable legal or arbitration proceedings, from which any impact on results could be expected over and above the amounts accrued.

11. RELATIONSHIPS TO RELATED COMPANIES AND INDIVIDUALS

Related parties are persons or companies that could be influenced by the reporting entity and/or which could exercise undue influence over said entity.

In accordance with IAS 24, persons or companies, over which the reporting entity has significant influence or which could exercise significant influence over said entity, must be

disclosed, unless they are consolidated companies already included in the consolidated financial statements.

In principle members of the management board and of the supervisory board come into consideration as related parties of the HanseGroup. Moreover, the members of the management board and of the supervisory board at Aurelius AG in Grünwald also come into consideration as related persons, in whose consolidated financial statements HanseYachts AG is included. Consequently, related companies have in particular included those of the consolidated HanseGroup of Aurelius AG.

The prices charged for intra-HanseGroup revenues as well as goods and services are determined on the basis of market prices. HanseYachts AG received commensurate consideration in light of the circumstances known at the point in time, at which the legal transactions were undertaken.

As in the previous year, there were no doubtful or uncollectible receivables from related parties in the reporting period.

THE MANAGEMENT BOARD

The members of the Management Board of HanseYachts AG in fiscal year 2012/13 were:

- Thomas Stüpfert, Icking, Board Member, Restructuring
- Dr. Jens Gerhardt, Hamburg, Board Member, Marketing and Quality
- Sven Göbel, Naumburg, Board Member, Finance and Production as at 11 July 2012
- Dr. Peter Barth, Cologne, Board Member, Technology until 31 October 2012

Remuneration for the management board amounted to EUR 939K for fiscal year 2012/13 (EUR 888K last year). EUR 619K thereof covered fixed salary components (EUR 498K last year) and EUR 80K for variable salary components (EUR 0 last year) as well as EUR 240K thereof for severance payments to former members of the management board (EUR 390K last year).

By virtue of a resolution passed at the general shareholders meeting held on 31 January 2012, HanseYachts AG was exempted from the obligation of disclosing the total remuneration of the management board and any benefits payable on termination of a contract of employment on an individual basis. This exemption is valid for a period of five years.

Effective 1 July 2013 Thomas Stüpfert's management board contract expired.

THE SUPERVISORY BOARD

The supervisory board comprised the following members in fiscal year 2012/13:

- Gert Purkert, Munich, member of the management board at Aurelius AG, chairman of the supervisory board
Additional appointments:
 - Aurelius Beteiligungsberatungs AG, Munich (vice-chairman),
 - Aurelius Portfolio Management AG, Munich (chairman),
 - Aurelius Transaktionsberatungs AG, Munich,
 - Lotus AG, Grünwald,
 - ED Enterprises AG, Grünwald (chairman),
 - Berentzen HanseGroup Aktiengesellschaft, Haselünne (chairman).
- Dr. Frank Forster, Munich, corporate counsel of Aurelius AG, vice-chairman
Additional appointments:
 - Aurelius Portfolio Management AG, Munich,
 - Berentzen HanseGroup Aktiengesellschaft, Haselünne.
- Dr. Luzi Rageth, Zurich, chairman of the examination commission
Additional appointments:
 - ISOICHEM, Paris (president of the supervisory board)

During the reporting period, the supervisory board received remuneration of EUR 42K (EUR 43K last year).

The following essential service relations with related companies and persons in terms of IAS 24 obtained in fiscal year 2012/13. The following essential service relations with subsidiaries, in which HanseYachts AG holds 100 % of the shares either directly or indirectly, are not included.

- A golden parachute of EUR 240K has been recognized under Expenditures and paid out to former members of HanseYachts AG's management board who departed during the fiscal year. Furthermore, additional severance payments amounting to EUR 100K were made to former members of the management board who left the HanseGroup last year from a provision that was recognized last year.
- In the year under review, the HanseGroup took in turnover revenues from the sale of a boat to a member of the management board amounting to EUR 49K.
- In the past fiscal year, HanseYachts AG incurred expenses with respect to the companies of the Aurelius HanseGroup for consulting services (EUR 1.459 million) and recharged travel expenditures (EUR 134K). Trade payables of EUR 90K from these ongoing supply and service arrangements were still open as of 30 June 2013.
- Moreover, as at 30 June 2013, there were loan obligations totalling EUR 2.0 million owed to the Aurelius HanseGroup. These loans have been secured by real estate liens totalling EUR 3.052 million. In addition, payables of EUR 500K for consulting services have been converted to a loan. In the year under review, interest payments to service these loans led to expenditures of EUR 116K, which have been recognized as liabilities at the balance sheet date in the amount of EUR 45K (EUR 6K last year). The amount of interest on these loans is based on the rate of interest charged by banks for their credit lines and/or in accordance with interest rate conditions for comparable new borrowings of funds for the loans granted in the year under review.



12. DECLARATION OF COMPLIANCE WITH THE GERMAN CORPORATE GOVERNANCE CODE

The declaration of compliance with the German Corporate Governance Code stipulated by Art. 161 of the AktG has been submitted and has been made available to shareholders at all times as part of our declaration on corporate management in accordance with Article 289a HGB via publication on our home page (at www.hansegroup.com under Corporate Governance).

13. AUDITORS' FEES (IN ACCORDANCE WITH ART. 314, PARA. 1, NO. 9 HGB)

Fees for the HanseGroup's auditors were calculated as follows:

	2012/13 In 1000 EUR	2011/12 In 1000 EUR
Expenses for statutory auditing	84	67
Other audit related services	31	42
Tax related services	0	0
Others	20	22
	<u>135</u>	<u>131</u>

The fees for auditing services cover the annual and consolidated financial statements of HanseYachts AG (including expenses). Fiscal year 2011/12 accounted for EUR 19K (EUR 15K last year) of the total amount recognised for fiscal year 2012/13.

14. EVENTS AFTER THE BALANCE SHEET DATE

After the balance sheet date, the following business transactions took place with an essential impact on the assets, earnings and financial position of the HanseGroup.

- Concluded the sales contract for the so-called marina property
- Sold part of the inventory of used boats as a package
- Completed a capital increase from authorised capital

Attention is drawn to the information in the Consolidated Management Report (Chapter 9 Events after the Balance Sheet Date) with respect to the consequences and/or impact of these measures on the HanseGroup's assets, earnings and financial position.

15. AUTHORISATION FOR PUBLICATION

On 26 September 2013, the management board of HanseYachts AG authorised the consolidated financial statements for submission to the supervisory board. The responsibility of the supervisory board is to examine the consolidated financial statements and to state whether it would approve said consolidated financial statements.

Greifswald, 26 September 2013

The Management Board

Dr. Jens Gerhardt

Sven Göbel

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Greifswald, 26. September 2013

The Management Board

Dr. Jens Gerhardt

Sven Göbel

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We have issued the following auditors' opinion for the consolidated financial statements as at 30 June 2013 attached as Annexes 1 through 5 as well as for the Group management report for fiscal year 2012/13 (Annex 6):

We have audited the consolidated financial statements prepared by HanseYachts AG, Greifswald, comprising the consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in equity and the notes to the consolidated financial statements, together with the Group management report for the business year from 1 July 2012 to 30 June 2013. The preparation of the consolidated financial statements and Group management report in accordance with IFRS as adopted by the European Union (EU) and the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB ["Handelsgesetzbuch": "German Commercial Code"] are the responsibility of the Managing Board of the Company. Our responsibility is to express an opinion on the consolidated financial statements and on the Group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Sec. 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) [Institute of Public Auditors in Germany]. Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the Group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the Group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those enti-

ties included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the Managing Board as well as evaluating the overall presentation of the consolidated financial statements and the Group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRS as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The Group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Hamburg, 26. September 2013

Ebner Stolz Mönning Bachem GmbH & Co. KG

Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft

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