NEWS DEAL REPORT

Hengeler Mueller advises TUI on recapitalisation of Hapag Lloyd

The shareholders of Hapag Lloyd AG have concluded an agreement on a comprehensive package of stabilisation measures for the container shipping line, which had been experiencing liquidity and revenue difficulties as a result of the global economic crisis.

The banks are providing a new EUR 1.2 billion credit facility secured through federal and state guarantees. In this context, the shareholders, the Hamburg-based "Albert Ballin" consortium and TUI, are providing EUR 923 million in new equity and hybrid capital funding as a means of strengthening Hapag Lloyd's equity capital basis.

In addition to the initial support measure in July 2009, the EUR 315 million acquisition of Hapag-Lloyd's stake in the Container Terminal Altenwerder (CTA) by TUI, the City of Hamburg and Signal Iduna, there will now be a EUR 285 million cash capital increase in two tranches undertaken by TUI and Albert Ballin. The shareholders will, moreover, convert loans that have already been granted into equity. Further loans granted by TUI will be restructured in order to take full account of the conditions set by the German government and of the interests of both Hapag-Lloyd and TUI.

Specifically, TUI will convert loans that have already been granted totalling EUR 700 million into hybrid capital. TUI can convert EUR 350 million of this amount into shareholder stakes as of 2011. TUI's share in Hapag-Lloyd would amount to a maximum of 49.9 percent if the conversion rights were to be exercised. The Hamburg consortium has immediate call options for the new shares.

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In order to meet the requirements of the German government and banking syndicate, moreover, the 25.1 percent stake in CTA will be reincorporated into the Hapag Lloyd Group. In this respect, TUI will convert its EUR 215 million share in the purchase price of CTA into hybrid capital.

Hengeler Mueller provided comprehensive advice to TUI AG on the preparation and implementation of stabilisation and recapitalisation measures from July to December 2009. The Hengeler Mueller team was led by partner Hans-Jörg Ziegenhain (Corporate/M&A, Munich) and included partners Hendrik Haag (Financing/Hybrid Capital, Frankfurt), Daniel Wiegand (Corporate/M&A, Munich) and Daniel Kress (Restructuring, Frankfurt) as well as associates Daniel Halmer, Alexander Ego (both Munich) and Kolja Stehl (Frankfurt).

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