

Press Release

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REEDEREI NSB TO EXIT THE GERMAN FLAG

Due to the economic status in the German shipping industry, REEDEREI NSB finds itself forced to completely exit the German flag by June 2017. In negotiations with the marine works council at NSB, last night, an appropriate reconciliation of interests and a redundancy plan were passed with the involvement of an arbitration committee. In concrete terms, this step means the successive outflagging of the current 38 German flagged container ships and, with that, the gradual layoff of 486 employees at sea by June 2017.

This summer, talks between the marine works council, ver.di, and REEDEREI NSB took place. In these talks, it was determined that under the persistently poor market conditions, the employment and the continuation of employment of German and European sailors is no longer economically feasible and that keeping the German flag would threaten the company's existence. The market position in shipping constrains investors and ship owners to take measures to preserve one-ship companies. The reduction of the ship operating costs and outflagging belong to those measures.

Months ago, together with the marine works council at NSB, solution approaches were developed that, on the one hand, consider the interests of the employees at sea and, on the other hand, secure REEDEREI NSB's future as a company. As part of the arbitration process, a settlement involving the reconciliation of interests and redundancy plan was reached the night of December 1st into the 2nd.

Currently, already 179 sailors cannot be deployed onto NSB fleet ships anymore. The reasons for that are, for one, the fleet's reduction of, in peak periods, 118 units to presently 67 ships. The second reason is due to the outflagging of one-ship companies in economic distress. For these employees, the termination will be announced at short notice. The outflagging of the fleet's remaining 38 German flagged container ships will be executed in stages. It is planned to re-flag three ships each in two-month intervals. Along with that, 25 German or European employees will be released, who will be replaced by sailors from other nations.

CFO Lutz Weber comments: "We regret that, even with the involvement of politics and associations, we weren't successful in bringing the framework of support for the German flag to another level, which would ensure a European employee at sea the long-term ability to compete internationally and secure maritime knowledge in Germany. Unfortunately, Germany, as a maritime location, offers European and German sailors no prospects."

REEDEREI NSB is the operator with the biggest number of ships with a German flag and employs roughly 500 German and European sailors on its current 38 German container ships.

About REEDEREI NSB:

NSB Niederelbe Schifffahrtsgesellschaft mbH & Co. KG (REEDEREI NSB) is one of the leading container shipping companies in the world. With a fleet of 67 vessels, the company which was founded in 1982 provides quality "Made in Germany". Apart from the ship management of container ships, tankers and offshore jack-up vessels, REEDEREI NSB is supervising newbuildings and is active in crewing of both its own ships as well as vessels of other parties.

At its own NSBacademy, which employs a modern Ship Handling-Simulator, employees from ashore and seafarers are trained and educated on a regular basis. In its headquarters in Buxtehude and its branches in the United States, Korea and Singapore, REEDEREI NSB employs approximately 200 men and women and 2,700 seafarers.

Key data of REEDEREI NSB

TDW overall:	3,830,338
TEU capacity:	327,970
Fleet size:	67 ships
NSB employees	
at sea:	approx. 2,700
on shore:	approx. 200

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