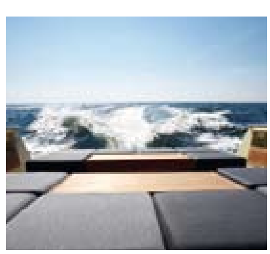
HanseYachts Aktiengesellschaft



Six Months' Report 2007/2008

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Market and Market Climate

The HanseYachts Group markets their boats worldwide. For this reason, positive and negative fluctuations in international markets directly affect their business.

Because of its leisure-time orientation, the water-sports market is clearly linked to the buying power of end-consumers. Developments in buying power are regressive on several markets, and the sub-prime crisis in the US as well as negative events on the stock market have led to uncertainty in potential customers. In addition to freely disposable funds, the possibilities for buying on credit also play a significant role in consumer behaviour. Against this background, consumers have been hesitant about deciding to buy luxury goods.

We have determined that this volatility in the market has had varying effects on the smaller boat sector in comparison to larger vessels.

The target group for boats up to 40 feet (12 metres) in length is hotly contested among the suppliers. Customers also expect generous offerings in space and exclusive, high quality furnishings even in these smaller boats. We are convinced that in this segment those manufacturers will win out that offer the best overall concept for spaciousness, flexible designs, quality, sailing properties and price. With our new models, Hanse 320 and 350, we have taken just those customer wishes into consideration. Viable prices for our markets, however, have recently come under strong pressure. Within the framework of our international expansion strategy, we have also decided to firm up our position in this segment. In order to achieve this objective, we are prepared to accept lower profit margins. These margins have resulted from a more competitive presentation of our products at fairs and similar marketing measures on the one hand and from extra costs for greater spaciousness compared to previous models. These extra costs have not been added to end-consumer prices for reasons of price sensitivity.

Conversely, with boats larger than 40 feet, we have been registering growing demand among customers. This also applies for Fjord, our motorboat brand, and our newly developed Moody 45 DSe. The greater flexibility in our production lines has permitted us to adapt to the changing needs and wishes of the market relatively quickly.

Notes on Developments in Turnover and Earnings

HanseYachts Group continued its growth strategy during the period reported here (1 August 2007 to 31 January 2008). Compared to the same period last year, we have succeeded in raising turnover by €13.1 million or 35.3 percent to €50 million (€37 million last year). Total revenues were €56.1 million, which corresponds to an increase of €14.2 million (33.9%).

Our turnover was achieved by means of a sales volume of 413 boats for the period reported here (329 boats last year), which represents a rise in absolute individual items of 25.5%. This disproportionate increase in individual boats compared to developments in turnover reflects a shift to larger vessels in our product mix. This altered product mix is the result of the above-mentioned situation on the market that has made it more difficult to sell smaller boats.

In order to be able to react properly to the current conditions on the market, the HanseYachts Group has decided to introduce new models of its Moody brand to the market faster than planned. In the first six months of this fiscal year, the number of personnel in our Development Department has greatly increased. In this way, the Moody 45 DSe was the first project to be completely developed with our new CATIA V5 software and all forms were produced in our CATIA-controlled, 5-axle milling machine. The somewhat longer development period has been offset by higher output and integration of these new developments into assembly-line production can be implemented with lower start-up losses.

Production bottlenecks occurred at our TTS subsidiary in Goleniow, Poland. We were able to transfer production to other venues and suppliers. Extra costs totalling ca. €1.2 million primarily accrued through expenditures for externally purchased services, as the majority of craftsmen working in Poland are self-employed.

Consequently, we feel confirmed in our decision to establish a new production facility in Poland. The equipment at this production facility has the most advanced filter technology to ensure unrestricted processing of all necessary materials in large quantities. The responsible authorities provided us with positive assistance in implementing this construction project so that we will be able to move into the completed halls in April.

Also in Greifswald, at our Helmshäger Berg site, we have upscaled our production capacities in the plastics section with a new manufacturing facility. The facility went on line in September 2007 and 50 employees have qualified for producing epoxy through retraining measures. The focus of this venue is to develop new methods in the area of plastics manufacturing.

As a consequence, we do not expect these extra costs to arise again after these two facilities have gone fully on stream in the final quarter of this fiscal year.

The first six months of a fiscal year are typically affected by the fact that in August production only lasts about 1.5 weeks because of the annual summer holidays and in December it is only around 3 weeks due to the Christmas holidays. Moreover, it should be noted that as at August every year new developments in manufacturing are integrated into our production. This initially causes drops in production that are usually made up in the second half of the year. This year, the following models were affected: the 320, 350, Fjord 40 open and a facelifting for the 370 and 400.

The course of the season that deviated from the previous year was greatly felt. While last year (2006) our end-consumers pushed for delivery of their boats before the end of the year because of the impending rise in the VAT, the tendency this year was to take delivery of the vessels at the beginning of the yachting season. As a result, the inventory of finished yachts at our German distribution subsidiary at 33 boats has increased compared to the previous year. Sales contracts have been concluded with buyers for all of the boats. They have also been largely paid so that there is no risk that the prospective owners will not take delivery. Nevertheless, we have not yet been able to realise the profit margin involved in these sales. This will occur in the second half of this fiscal year.

Our development work and the resulting switch in the Fjord 40 to a different method of production that was undertaken last summer were reasons that European water-sports journalists voted us “The European Powerboat of the Year” with the Fjord 40. Moreover, the Dutch trade press in the Netherlands chose us as the “Motor yacht of the Year.” We have also received awards in Norway and Australia.

At the end of March, the Moody 45 DSe was given its world premiere in England, its former homeport, and met with euphoric interest. It is being celebrated as the new “European Yacht of the Year” by water-sports journalists. In this case, 200 years of English boatbuilding tradition has been successfully carried on.

The rapid growth of the last few years has been at fault for organisational and structural problems. In recent months, work has been done on a new management and organisational structure. The effects resulting therefrom should begin to take hold in the coming months. Because of these circumstances, the ratio of the cost of materials to total operating revenues rose relative to the total figure by 7.2 percentage points to 74.8 percent and the ratio of personnel costs to total operating revenues by 1.4 percentage points to 13.8 percent compared to the previous year.

Both factors caused charges against earnings of approx. €4.9 million. With investment-related write-downs that rose by €0.6 million and Other operating expenses that went up by €0.8 million as well as Other earnings that rose by €0.7 million, we had a Group EBIT of minus €0.2 million, after achieving a positive Group EBIT of €2.5 million for the same period last year.

Our financial results rose by €0.8 million, thereby achieving Earnings before taxes of €0.5 million (€2.4 million last year). Group net earnings after taxes for this period amounted to €0.3 million (€1.6 million last year).

Investments and Financing

We invested a total of €19.9 million (€3.8 million last year) in this reporting period. This figure included the rest of the purchase price to acquire the remaining 49-% participation in our Fjord Boats A/S subsidiary in Norway and the above-mentioned new production facilities in Goleniow and Greifswald, advanced technical equipment as well as construction software. We also financed €3.8 million with loans.

In any case, owing to the temporary shift in taking delivery on the part of customers purchasing new boats as described above, a build-up resulted in inventories and trade payables. This meant that €8.5 million in capital was tied up during the period reported here. We expect this increase to be neutralised during the second half of the year.

Cash and cash equivalents decreased by €24.5 million to €31.8 million due to the investments and capital tied up in inventories and trade payables.

Personnel Changes

Our Management Board member Mr Frank Domeyer will be leaving our company effective 30 April 2008. Mr Udo Potthast has been named to the Management Board effective 16 April 2008 and will be responsible for the Accounting, Finance, Purchasing and Corporate Controlling Divisions. Michael Schmidt, founder and CEO of HanseYachts AG, will take over Strategic Development. Gregor Bredenbeck will continue as head of Production.

Outlook as well as Opportunities and Risks for Corporate Development during the Remainder of the Period Reported Here

The market climate has been marked by mounting competition and a high degree of sensitivity to prices on the part of customers. We have felt these conditions in two factors tending in opposite directions. On the one hand, there is a tendency to purchase smaller boats at prices that are as reasonable as possible; on the other hand, demand has been increasing for vessels over 40 feet in length. We expect to be able to strengthen and to take advantage of the trend towards larger and costlier boats thanks to assembly-line production about to begin for the new Moody 45 DSe and the Fjord models, 40 open and 40 cruiser.

Work with our Catia software has significantly facilitated implementation of our carry-over parts (COP) strategy, on which we are vigorously working. As a result, this will bring about lower costs for materials when developing new models in future.

Despite our high degree of flexibility in production-flow schemes, the changing structure of demand calls for internal adaptation processes that are currently being implemented.

Our Annual Report for 2006 contains additional information on our risk situation.

Our forecast released on 18 December 2007 indicated turnover of €135 million to €145 million for the entire fiscal year. Based on developments to date in this fiscal year, we are now expecting turnover on the order of approx. €135 million. In all likelihood, we will not be able to offset the above-mentioned poorer performance factors for the first six months of this fiscal year. Consequently, we are expecting an EBIT margin significantly below the original forecast of 10 percent of turnover, namely 5 percent.

Significant Events after the Six-Months Period

After the six-months period reported here, no events occurred that called for mandatory reporting, with the exception of the above-mentioned personnel changes in the Management Board.

CONSOLIDATED BALANCE SHEET (IFRS)

in EUR	31 July 2008	31 July 2007
ASSETS	**100 315 008.94**	**91 382 775.71**
Non-current assets	**38 444 009.28**	**19 575 167.85**
Intangible assets	7 932 835.77	3 023 437.37
Property, plant and equipment	29 590 982.28	15 994 350.87
Financial receivables	67 249.50	72 955.42
Deferred tax assets	852 941.73	484 424.19
Current assets	**61 870 999.66**	**71 807 607.86**
Inventories	18 621 509.13	11 131 525.77
Trade receivables	6 307 254.51	1 517 638.24
Other assets	3 551 653.64	2 482 354.34
Income tax refund claims	102 701.97	0.00
Cash and cash equivalents	33 287 880.41	56 676 089.51
EQUITY AND LIABILITIES	**100 315 008.94**	**91 382 775.71**
Equity	**64 403 856.06**	**64 036 541.74**
Subscribed capital	6 400 000.00	6 400 000.00
Capital reserves	49 827 832.69	49 827 832.69
Retained earnings	147 126.16	147 126.16
Reserve for currency translation differences	84 690.71	36 289.47
Net retained profits	7 944 206.50	7 625 293.42
Non-current liabilities	**6 015 316.99**	**3 359 115.90**
Deferred tax liabilities	318 757.57	276 270.13
Non-current financial liabilities	5 606 131.21	2 895 756.09
Non-current finance lease liabilities	90 428.21	187 089.68
Current liabilities	**29 895 835.89**	**23 987 118.07**
Other provisions	1 342 663.81	2 239 771.93
Current financial liabilities	2 769 678.19	856 591.96
Current finance lease liabilities	172 971.88	179 419.64
Other liabilities	20 676 208.01	15 849 194.73
Income tax liabilities	4 934 314.00	4 862 139.81

CONSOLIDATED INCOME STATEMENT (IFRS)

in EUR	1 August 2007 to 31 January 2008	1 August 2006 to 31 January 2007
Revenues	**50 019 850.45**	**36 957 998.40**
Increase (decrease) in work in progress and finished goods	5236 398.76	4 570 118.19
Own work capitalised	820 666.12	351 296.89
Other operating income	1 382 711.37	672 651.75
Cost of materials	(41 958 685.41)	(28 324 899.37)
Personnel expenses	(7 717 312.67)	(5 160 664.20)
Amortisation, depreciation and write-downs	(1 339 704.68)	(754 794.52)
Other operating expenses	(6 668 472.26)	(5 821 859.29)
Net financial costs	711 976.16	(80 593.71)
Earnings before income taxes	**487 427.84**	**2 409 254.14**
Income taxes	(168 514.76)	(787 158.88)
Consolidated net earnings	**318 913.08**	**1 622 095.26**
Consolidated net earnings allocable to minority shareholders	0.00	93 639.73
Consolidated net earnings allocable to the shareholders of HanseYachts AG	**318 913.08**	**1 715 734.99**
Earnings per share	**0.05**	**0.35**

CONSOLIDATED CASH FLOW STATEMENT (IFRS)

in EUR	1 August 2007 to 31 January 2008	1 August 2006 to 31 January 2007
Earnings before interest and taxes (EBIT)	**(224 548.32)**	**2 489 847.85**
Amortisation, depreciation and write-downs	1 339 704.68	754 794.52
Interest paid (net)	509 297.26	(80 593.71)
Income taxes paid	(409 077.00)	(27 358.58)
Loss on disposals of non-current assets	0.00	66 272.63
Changes in inventories, receivables and other assets not related to investing or financing activities	(14 887 254.75)	(7 177 327.00)
Changes in liabilities not related to investing or financing activities	6 283 912.19	3 410 656.60
Cash flow from operating activities	**(7 387 965.94)**	**(563 707.69)**
Expenditures for shares in consolidated enterprises	(5 448 235.08)	0.00
Investments in		
intangible assets	(240 028.51)	(79 028.40)
property, plant and equipment	(14 794 921.65)	(3 757 319.31)
Cash flow from investing activities	**(20 483 185.24)**	**(3 836 347.71)**
Repayments of liabilities from finance leases	(103 109.23)	(93 270.42)
Taking out loans	3 840 000.00	500 000.00
Retiring loans	(394 174.24)	(266 612.03)
Cost of raising equity capital	0.00	(131 272.75)
Cash flow from financing activities	**3 342 716.53**	**8 844.80**
Change in cash and cash equivalents	(24 528 434.65)	(4 391 210.60)
Cash funds at beginning of period	56 385 290.38	6 133 724.95
Cash and cash equivalents at end of period	**31 856 855.73**	**1 742 514.35**
Composition of cash and cash equivalents		
Bank balances	33 275 782.45	2 260 484.90
Cash in hand	12 097.96	27 847.13
Bank overdrafts	(1 431 024.68)	(545 817.68)
	31 856 855.73	**1 742 514.35**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IFRS) FOR THE FISCAL YEAR FROM 1 AUGUST 2007 TO 31 JANUARY 2008

	EQUITY									
	Number of no-par value shares	Subscribed capital	Capital reserves	Retained earnings	Revaluation reserves	Reserve for currency translation differences	Net retained earnings	Equity allocable to shareholders of HanseYachts AG	Minority interest	Consolidated equity
		EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
1 August 2006	**4 900 000**	**4 900 000.00**	**3 509 354.18**	**0.00**	**16 329.00**	**(211.77)**	**589 965.27**	**9 015 436.68**	**585 555.41**	**9 600 992.09**
1) Agio received within the framework of an IPO	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2) Cost of procuring equity	0	0.00	(344 400.00)	0.00	0.00	0.00	0.00	(344 400.00)	0.00	(344 400.00)
3) Interest rate swap	0	0.00	0.00	0.00	3 999.00	0.00	0.00	3 999.00	0.00	3 999.00
4) Net earnings after taxes for this period	0	0.00	0.00	0.00	0.00	0.00	1 715 734.99	1 715 734.99	(93 639.73)	1 622 095.26
5) Minority interests	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6) Currency translation differences	0	0.00	0.00	0.00	0.00	3 521.81	0.00	3 521.81	(28 522.03)	(25 000.22)
31 January 2007	**4 900 000**	**4 900 000.00**	**3 164 954.18**	**0.00**	**20 328.00**	**3 310.04**	**2 305 700.26**	**10 394 292.48**	**463 393.65**	**10 857 686.13**
1 August 2007	**6 400 000**	**6 400 000.00**	**49 827 832.69**	**147 126.16**	**0.00**	**36 289.47**	**7 625 293.42**	**64 036 541.74**	**0.00**	**64 036 541.74**
1) Net earnings after taxes for this period	0	0.00	0.00	0.00	0.00	0.00	318 913.08	318 913.08	0.00	318 913.08
2) Currency translation differences	0	0.00	0.00	0.00	0.00	48 401.24	0.00	48 401.24	0.00	48 401.24
31 July 2007	**6 400 000**	**6 400 000.00**	**49 827 832.69**	**147 126.16**	**0.00**	**84 690.71**	**7 944 206.50**	**64 403 856.06**	**0.00**	**64 403 856.06**

1. GENERAL DISCLOSURES

HanseYachts AG with headquarters in Greifswald/Deutschland is a public limited company listed on the stock exchange and parent company of the HanseYachts Group. Initial trading began on the General Standard of the Frankfurt Stock Exchange on 9 March 2007.

The business activities of the HanseYachts Group's companies essentially encompass developing, producing and marketing sailing yachts under the HANSE brand name as well as motor yachts under the FJORD brand name.

As at the 2007/2008 fiscal year, production and marketing were undertaken for deck-saloon sailing yachts under the MOODY brand name. The Group's business activities originate at its Greifswald venue with two production facilities and a marketing company as well as two other marketing enterprises in the US and in Norway, respectively, and another production enterprise in Poland.

HanseYachts AG's abridged Group interim financial statements have been prepared in euros. Unless otherwise specified, all amounts have been rounded off to 1000 euros (1000 EUR). Should deviations of up to one unit (1000 EUR, %) occur, they will represent mathematically justified differences in rounding off.

Our fiscal year encompasses the period from 1 August to 31 July of the following year and reflects the business cycle of the HanseYachts Group. HanseYachts AG has been entered in the Commercial Register of the Stralsund District Court under HRB 7035.

2. ACCOUNTING PRINCIPLES

Principles used in preparing these financial statements

These interim financial statements have been prepared in compliance with IAS 34 on "Interim Financial Reporting." The Group interim financial statements do not contain all of the information required for such statements and should thus be read in conjunction with the Group financial statements of 31 July 2007.

These statements have not been audited in accordance to Article 317 of the German Commercial Code (HGB) nor have they been perused and checked by an auditor pursuant to Article 37w, Paragraph 5, of the Securities Trading Act (WpHG).

Essential accounting and valuation methods

The accounting and valuation methods used in preparing the interim financial statements as at 31 January 2008 correspond to those utilised for the Group financial statements of 31 July 2007, with the exception of the new IFRS standards and interpretations included in the following list:

- IAS 1 (Amendment) Presentation of Financial Statements – Capital Disclosures
- IFRS 7 Financial Instruments: Disclosures;
- IFRIC 10 Interim Financial Reporting and Impairment;
- IFRIC 11 Group and Treasury Share Transactions;

Using these standards and interpretations has not affected the status of the Group's assets, financial position or earnings.

The following (partially revised) standards and interpretations, which were enacted by IASB prior to preparing these interim financial statements and must be used for the first time in a subsequent fiscal year, were not utilised prior to going into effect:

- IAS 23 Borrowing Costs (1 January 2009)
- IFRS 8 Operating Segments (1 January 2009)
- IFRS 3 rev. 2008 Business Combination and IAS 27 rev. 2008 Consolidated and Separate Financial Statements (1 July 2009)
- IAS 32 rev. 2008 Financial Instruments: Presentation (1 January 2009)
- IFRS 2 rev. 2008 Share based Payments (1 January 2009)
- IFRIC 12 Service Concession Arrangements (1 January 2008)
- IFRIC 13 Customer Loyalty Programmes (1 July 2008)
- IFRIC 14, IAS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (1 January 2008)

These standards and interpretations will be used for the first time in HanseYachts' financial statements when they have gone into effect pending endorsement by the European Union.

Future use of standards and interpretations not yet in force is not expected to have an appreciable effect on the HanseYachts Group's financial statements.

3. SCOPE OF CONSOLIDATION

The overriding Group enterprise is HanseYachts AG. In addition to HanseYachts AG, four (31 July 2007: four) companies with headquarters in Germany as well as three (31 July 2007: three) enterprises headquartered abroad are included in the Group financial statements.

Name	%
Direct:	
Marina Yachtzentrum Greifswald GmbH, Greifswald	100.0% (100.0% last year)
Hanse (Deutschland) Vertriebs GmbH & Co. KG, Greifswald	100.0% (100.0% last year)
Verwaltung Hanse (Deutschland) Vertriebs GmbH, Greifswald	100.0% (100.0% last year)
Yachtzentrum Greifswald Beteiligungs-GmbH, Greifswald	100.0% (100.0% last year)
HanseYachts US, LLC, Savannah, USA (Hanse US)	100.0% (100.0% last year)
Technologie Tworzyw Sztucznych Sp. z o.o., Goleniow, Poland (TTS)	100.0% (100.0% last year)
Indirect:	
Fjord Boats AS, Vettre, Norway (Fjord)	100.0% (100.0% last year)

On 26 July 2007, we exercised our option to purchase the remaining 49% of the shares in Fjord Boats AS, Vettre, Norway (referred to as Fjord in the following text). The purchase price for these shares was initially estimated and set at the book value of the acquired minority share (€656 000) in the Group financial statements as at 31 July 2007 in the absence of more detailed information.

After an interim evaluation of the participation thus acquired by an internationally operative auditing firm, the purchase was determined to be €5 211 000. Moreover, additional expenses of €237 000 have been incurred for the acquisition until now. The purchase price, which exceeded the original estimate, has been tentatively allocated to the FJORD (€3 354 000) and TERNE (€1 438 000) brands according to the earnings expectations forecast in professional appraisals.

With the exception of the brands, additions to assets and debt have not resulted from initial consolidation of these shares, as the enterprise was previously included in the Group financial statements within the framework of full consolidation.

The acquisition occasioned payments of €5 448 000, including the additional expenses. This outflow of funds was not offset by acquired capital due to prior full consolidation.

As initial consolidation of these shares took place towards the end of the last fiscal year, there was not any deviating turnover and/or any deviating results from a fictive initial consolidation at the beginning of this fiscal year.

4. SEASONAL INFLUENCES ON BUSINESS ACTIVITIES

The seasonal build-up of inventories of finished and unfinished products amounted to approx. €5.2 million (€4.6 million last year). As these inventories were valuated at their production costs, the profit margins are missing in the results.

In addition to the usual seasonal cycles, the large build-up of inventories resulted from customers' delaying delivery of boats with firm orders and commensurate payments on account until the sailing season in comparison to a comparable period last year. We expect significant reductions in inventories of finished products in the 3rd and 4th quarters of fiscal year 2007/08.

In addition, the first six months of this fiscal year were affected by the fact that in August production only lasts about 1.5 weeks because of the annual summer holidays and in December it is only around 3 weeks due to the Christmas holidays. Moreover, it should be noted that as at August each year new developments are integrated into our production. These factors initially cause drops in production that are usually made up in the second half of the year. This year, HANSE models 370 and 400 were affected. Moreover, HANSE models 370 and 400 were given a thorough face-lifting. The FJORD 40 open was also integrated into assembly-line production.

Earnings for the first two quarters of 2007/08 were charged for the development costs of MOODY's new 45 DSe as well as for the ongoing development of FJORD's palette of models that will start bringing in revenues in the second half of this fiscal year.

5. SEGMENT REPORTING

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

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

The HanseYachts Group only breaks down turnover for its business segments. Information on other data required in accordance with IAS 14 for segment reporting according to business divisions has not been included for want of direct allocation and for want of reliable key items. Items such as earnings, assets, debt, write-downs and investments of the HanseYachts Group can thus not be reliably apportioned to the segments for Sailing yachts and Other segments, as sailing yachts and motor boats are manufactured on assembly lines. A breakdown based on turnover or on the number of boats produced would be arbitrary and would not furnish any information that could be useful to making decisions.
Consequently, we have omitted information on segment results in accordance with IAS 34.16g. Developments in segment turnover are shown in the following table:

	01/08/2007 - 31/01/2008 1000 EUR	01/08/2006 - 31/01/2007 1000 EUR
Turnover		
Sailing Yachts	**47.606**	**36.476**
New	47.414	36.286
Used boats	192	190
Motor Boats	**2.204**	**142**
New	2.120	142
Used boats	84	0
Marina	**509**	**248**
Misc.	**450**	**335**
Decreases in Revenues	**(749)**	**(243)**
	50.020	**36.958**

7. LONG-TERM ASSETS

In the first two quarters of 2007/2008, the HanseYachts Group invested €19.9 million.

Major additions have resulted from changes in the initial consolidation of the shares in Fjord AS and the tentative allocation of the sale price of €4.8 million to the FJORD and TERNE brands.

Two new production halls have been erected at the sites in Poland and in Greifswald to create additional manufacturing capacity. This resulted in additions to assets of approx. €11.5 million.

An additional €2.9 million has been invested in technical equipment and machines that will be primarily utilised to expand capacities in furniture prefabrication in Greifswald as well as for forms to produce new and redesigned models.

8. DEBT

To finance long-term investments, two fixed-interest loans of €2.0 million each have been taken out. The loans will run until 30 December 2016 at a nominal interest rate of 4.3 percent.

The loans are secured by mortgages.

9. SIGNIFICANT EVENTS WITH RELATED PARTIES

Supply relationship with HaCon GmbH

Within the framework of an ongoing supply relationship, keels for sailing yachts produced by HanseYachts are ordered from HaCon GmbH, Rendsburg; owner and managing director, Matthias Harmstorf, is a member of the HanseYachts Group's Supervisory Board. This supply relationship and/or the individual contracts underlying this framework are based on the usual conditions. During the six months that ended on 31 January 2008, materials valued at €2 362 000 were supplied by HaCon GmbH. As at the balance sheet date, the HanseYachts Group showed trade payables of €200 000 owed to this related company.

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

Supervisory Board member Rolf Vrolijk is the managing owner of Judel/Vrolijk & Co – Engineering GmbH, with which HanseYachts AG has concluded a license agreement concerning construction and design of sailing yachts produced on its assembly line under the HANSE brand. This contract contains the conditions common to this market and the licensing fees contracted therein correspond to normal market standards.
From 1 August 2007 to 31 January 2008, the HanseYachts Group was invoiced by Judel/Vrolijk & Co for licensing fees of €261 000, of which €96 000 were carried as trade payables as at the balance sheet date.

10. CONTINGENT LIABILITIES, OTHER FINANCIAL LIABILITIES AND LITIGATION

10.1. Contingent liabilities

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

10.2. Other financial liabilities

Liabilities from investment projects already started decreased from €€3 982 000 to €€1 027 000 from 31 July 2007 to 31 January 2008.

Liabilities from investment projects already started exclusively apply to expansion of prefabrication in wood at the Greifswald site.

Liabilities from investment projects already started carried as at 31 July 2007 were fully realised in the first six months of 2007/2008.

10.3. Litigation

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

11. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

After 31 January 2008, there were no events that could have significantly affected the status of the assets, financial situation or earnings of the HanseYachts Group - with the exception of the personnel changes indicated in the interim financial review.

12. EARNINGS PER SHARE

In accordance with IAS 33, Results per share has been determined from the share of earnings of HanseYachts AG's stockholders amounting to €319 000 (€1 716 000 for a comparable period last year) and the average number of shares in circulation during this period amounting to 6 400 000 shares (4 900 000 for a comparable period last year). There are no diluted shares so that undiluted earnings per share are identical to diluted earnings per share.

Greifswald, Germany, March 26, 2008

Management Board
Michael Schmidt Frank Domeyer Gregor Bredenbeck

Affirmation of Legal Representatives

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

Greifswald, Germany, March 26, 2008

Management Board
Michael Schmidt Frank Domeyer Gregor Bredenbeck

Publisher:
HanseYachts Aktiengesellschaft
Salinenstr. 22
17489 Greifswald, Germany

Tel.: +49 3834 5792 0
Fax: +49 3834 5792 81