



To our Business Partners and Friends

We hope that you have gotten off to a good start in 2011 and wish you great success in achieving your goals. We would like to thank you for our fine cooperation and pledge to remain true to our motto, 'Innovation for shipping', this year when it comes to keeping both ongoing and new projects moving forward in a well-planned, targeted manner. Looking back to 2010, we are pleased to note that INTERSCHALT was able to experience a two-digit increase in sales. In particular, our broad product portfolio helped to compensate the fluctuations within individual business areas.

2010 in review

In 2010 we concentrated on optimizing our value chain. We hired new employees for our service department and opened a new service location in Rotterdam. In the area of software we achieved significant milestones for our "Bluefleet" product with its certifications by GL, LR and ABS as well as its great acceptance by our customers. Moreover, our software solutions for cargo management helped

us to consolidate our market leadership. The focus of our efforts was on our cargo management software for bulk and heavy-lift vessels as well as stowage planning for the United Arab Shipping Company (UASC). Our business unit Engineering & Automation introduced a new concept for diesel-electric drive systems and was able to maintain its position in specialized ship construction. At the SMM trade show, we announced our cooperation with the Italian company Telespazio S.p.A. We consider the area of satellite communication services to be an integral part of our value chain. In the future we will offer comprehensive solutions in this area – all from one source.

A look ahead to 2011

Our goal in 2011 is to expand our business internationally through cooperative ventures and to increase our product portfolio to better position ourselves in the market as a general contractor. Our worldwide service network is adding a location in the USA (see page 2) and additional fleet man-

NEWS

Financial figures 2010

Incoming order	35 Mio. €
Order book	65 Mio. €
Turnover	59 Mio. €
thereof	
Engineering & Automation	
Software Solutions	
Education & Training	
Service	
Employees	289
Locations worldwide	9

1,500 participants so far at the MET

During the training course "Shiphandling, Bridge Team Management and Cargo Management System for Heavy Lift", the staff at the MET reached a milestone by welcoming their 1,500th participant. Overall in 2010, the MET held 73 seminars in the areas of Simulation, Navigation, Shiphandling and Technical Ship Operation.

agement modules are being brought to market (see page 3). In China we are responding to changing market conditions by restructuring our operations there. At INTERSCHALT we intend to successfully complete the projects that we have already started and to further develop them. We intend to be in even closer contact with you as our valued business partners.

There is a lot to be done, and we are looking forward to an interesting, rewarding 2011.

With our best regards,

Robert Gärtner and Volker Hollinder



INTERSCHALT increasingly relies on local staff in China

Based on the premise that “all business is local”, the management of INTERSCHALT in China has been reorganized and realigned. In the past, the sales office, staffed with locally hired employees, was centrally directed from Germany. However, the market developments in recent years make it necessary to rethink and realign this arrangement. In the future, Chinese personnel with their knowledge of the local markets, the language as well as the local culture and customs will be the primary points of contact with our customers. The management of our Chinese office now consists of two Chinese staff members supported by one German member.

A new sales manager

Sales operations will now be headed by Ms. Sandy Qi Lan. She will be



photo: © Sandy Qi Lan

in charge of all local sales activities and implement the INTERSCHALT sales strategy in conformance with the company's philosophy. With a team of eight employees she started her career at INTERSCHALT as the Managing Director Sales, China. Ms. Qi has over 15 years of extensive experience in the maritime field, most recently as the general manager and country manager for a ma-

major manufacturer of communications and navigation products based in the United States. She has excellent knowledge of the maritime sector and already has an existing network of customers in the shipbuilding and maritime shipping industries. A primary reason for entrusting her with this important role was her MBA degree from the University of Southern California.

A strong management team

Ms. Sandy Qi Lan will be the CEO of our office in China and work together with Mr. Michael Runger and Mr. Gai Bin, who will be in charge of the technical and administrative aspects of customer projects.

We wish them great success taking on their new responsibilities and challenge.

Successful cooperation with Raytheon Anschütz

As an exclusive partner of Raytheon Anschuetz (Kiel, Germany), INTERSCHALT opened its new service office in Pasadena, Texas, directly on the Houston Ship Channel, in January 2010. Operating under the name “IS maritime services corporation”, this facility includes large replacement part depots for Raytheon Anschütz and INTERSCHALT VDR systems.

336 service calls in the first year of business

Our service calls are all coordinated through a central 24/7 hotline. This means that in 2010 our highly qualified service technicians were able to do 336 prompt on-site service calls. In addition, by working with our partner Mackay Communications, the largest service provider for the maritime industry in the USA, we are able to cover all of North America and

South America.

Regular training means top-quality service technicians

It is most important to us that INTERSCHALT's customers constantly enjoy top-notch, capable service provided by our own technicians and those from our partners. To keep their knowledge up-to-date, in 2010 we trained 57 technicians on INTERSCHALT and Raytheon Anschuetz products such as gyroscopes, autopilots, radar and ECDIS,

after which they received official INTERSCHALT Certificates of Training.

Additional service locations now in planning

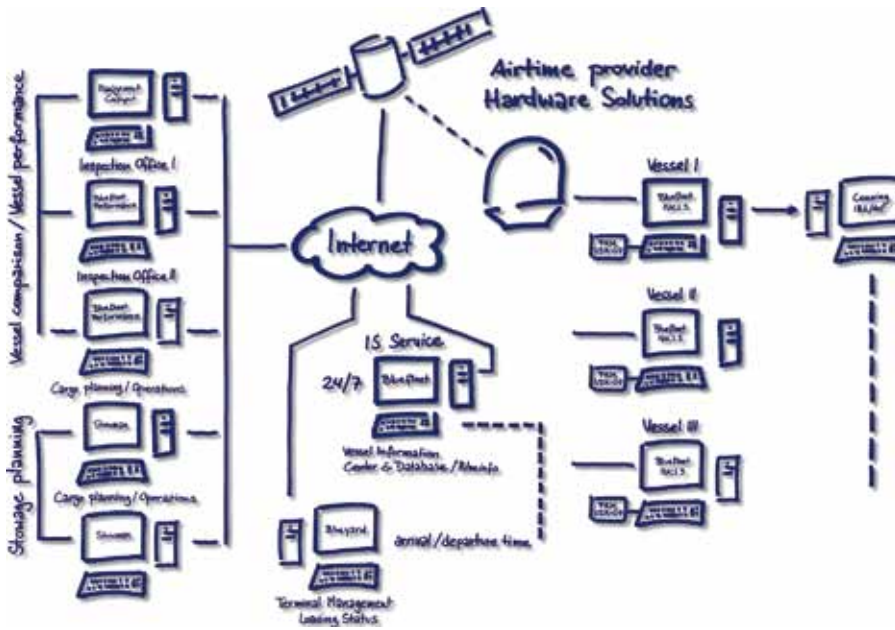
Our planning calls for the continued expansion of our service network in 2011 by opening new service locations in Los Angeles and Fort Lauderdale. The personnel for these new facilities will be trained on INTERSCHALT and Raytheon products during the first quarter of this year.



photo: © INTERSCHALT maritime systems AG, Service Schulung Houston

Cooperation with Telespazio enhances the INTERSCHALT value chain

graphic: © INTERSCHALT maritime systems AG



At the SMM trade show in Hamburg in 2010, we announced our cooperation with the Italian communications company Telespazio S.p.A. In Fucino, Italy, Telespazio operates a large telecommunications “Teleport” with over 100 antennas. Working with Telespazio, INTERSCHALT equips ships with the communications hardware necessary for shore-based inspections.

Satellite communication from one source

In accordance with the concept of the INTERSCHALT value chain, our cooperation with Telespazio now allows us to offer air time, software solutions, service and integration into existing on-board electrical systems all from one source.

Our comprehensive service package ensures that customers only need to turn to one provider when it comes to covering all aspects of satellite communications, including the following:

- Logistics – on-time delivery of all components
- Installation, implementation and connection
- Support, maintenance contracts upon expiration of warranty periods
- Help desk support



photo: © INTERSCHALT maritime systems AG, Satellite System

Our total package for satellite communication is already installed on the first ships

The first projects have already been successfully completed. The two ships concerned, the ‘Arabella D’ and the ‘Valparaiso Express’ from the ocean shipping companies Hammonia and Peter Döhle Schifffahrts-KG, were fitted with Ku-band or C-band antennas from SeaTel. These systems were then integrated into the on-board computer networks by experienced INTERSCHALT technicians.

In another project, a container ship with 4,250 TEU of capacity was similarly equipped in a two-step process. In the first step, the hardware was installed on board and integrated into the on-board network. In the second step, special software developed by INTERSCHALT was installed and tested. This system gives users conducting on-shore inspections the capability of retrieving a large variety of ship-related data in an automated process within a narrow time frame (with about a 15-minute time lag).

Exchange of critical data between ship and shore

With our portfolio of communication services, we are meeting the growing needs of ship operators who need to exchange critical data between ship and shore. By means of a variety of interfaces such as for automation, VDR, ECDIS and the Bluefleet technical management system, ship data can be retrieved and evaluated on land.

For additional information, please contact:

service@interschalt.de

- Planning
- Configuration

A powerful combination of energy distribution and propulsion technology

In addition to the growing ship-building market in Asia for bulkers, tankers and container ships, the European market is increasingly concentrating on special vessels such as supply ships, yachts and cruise ships. For many years now, INTERSCHALT has been a well-established general contractor for complete electrotechnical packages for this market. Our many years of experience serving the needs of specialty and commercial ships have made us a reliable partner in this sector. In response to the increasing demands from the market for greater ship maneuverability, we now offer our innovative diesel-electrical propulsion systems technology.

An innovative concept in high-performance electric drives

This system is particularly advantageous on those special ships requiring high-capacity electrical propulsion systems that need to be readily and highly available and also able to fit in confined installation locations. At the core of the system

is a linked power-converter system with water-cooled power converters and a common DC bus. This approach provides an optimal energy distribution, thus ensuring stable propulsion power and, at the same time, reliable and stable power for the on-board electrical system.

Flexible use of asynchronous generators and consumers

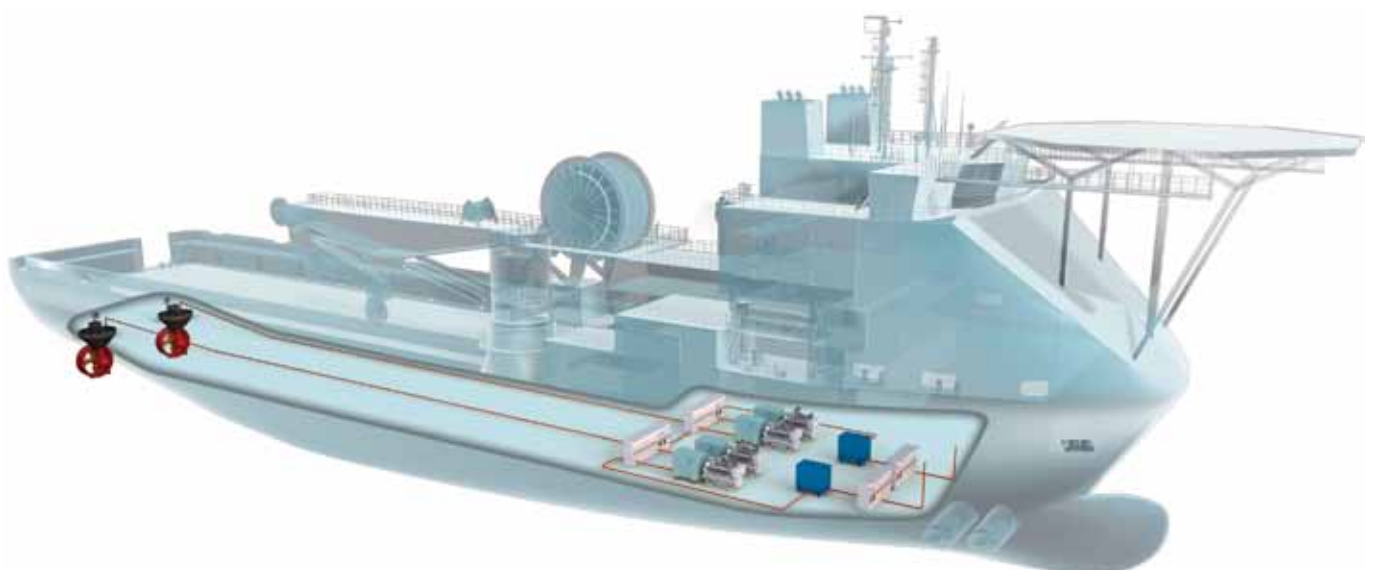
The asynchronous generators can be brought on and off line at any time and without any time delay or voltage loss. Various consumers such as motors or even the entire on-board electrical system can be connected to the system whenever necessary. This design means that a ship's diesel engines can always be operated within their most economical operating range under all conditions with respect to speed, torque and exhaust emissions.

Cost savings through fewer components and less complex wiring systems

Compared to conventional diesel-

electrical propulsion systems, this innovative combination of energy distribution and propulsion technology means that components such as switchboards and transformers can be significantly reduced or even completely eliminated. The result: Immediate savings in system costs and space requirements as well as in the complexity of the overall wiring system. This new model has greatly expanded our range of services, offering our customers complex electrotechnical systems with an innovative diesel-electrical propulsion system, an integrated automation system, navigation and communication systems all the way up to the integration of DP2 systems.

At this time, this advanced drive system is being installed on the river cruise ship "MS Viking" at the Neptune Shipyard in Rostock, Germany.



Bluefleet: The most modern technology for fleet management

For more than 25 years, INTERSCHALT, in addition to its well-established MACS3 loading computer, has developed and supplied software solutions for scheduling maintenance of commercial vessels. The IS seacos fleet management system 'Bluefleet' is our latest software development. It combines the most modern software technology with our many years of experience in developing comprehensive planned-maintenance systems that meet the complex requirements of the maritime market. The system features a modular structure that can be configured by different systems: from a simple PMS system up to a comprehensive system with ISM document management, order management, dockyard management and condition-based maintenance.



graphic: © INTERSCHALT maritime systems AG, Bluefleet

A central database allows overview of a whole fleet

By means of modern software technology with a central SQL database, users can readily obtain information on the technical condition of individual ships across a whole fleet. The system automatically compiles statistics and generates diagrams to support easy planning and optimizing of on-board maintenance activities. Documents and maintenance parameters for components, along with information on replacement parts and other items, are stored

in the central database, where they are processed once and then replicated for all applicable ships. This centralized process yields a better picture of on-board conditions and simplifies maintenance inspections.

Software suitable for use with different types of ships

The system's universal structure allows it to be used for different types of ships: Commercial ships, ferries, cruise ships, military ships and offshore units. The user interface, which has a layout (look and

feel) modeled on MS Outlook 2007, is easy to learn. In addition, the included computer-based training (CBT) software will help crew members to quickly become familiar with the system. Furthermore, Bluefleet has received type approvals from all of the major classification societies.

For further information, please visit our website at www.interschalt.de or contact us by e-mail at: sales@interschalt.de.

Please visit us:

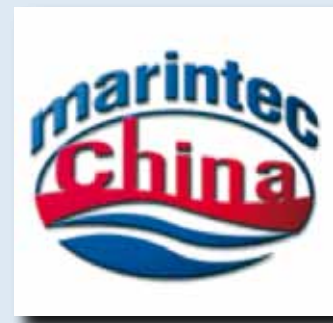
Sea Asia, Singapore
12 - 14 April 2011



Nor-Shipping, Oslo
24 - 27 May 2011



Marintec China, Shanghai
29 November - 02 December 2011



New cooperation with the Jasubhai Group

INTERSCHALT recently concluded a contract with the Jasubhai Group (Mumbai, India), making it the exclusive sales partner for INTERSCHALT's software products in the region. With its broad range of products, particularly in the oil and gas industry, Jasubhai is one of INTERSCHALT's most important global partners. Jasubhai Engineering Pvt. Ltd., a subsidiary of the Jasubhai Group, is a major supplier of instru-

ments, equipment and technology for the process industry.

India: Truly a massive growth market

For INTERSCHALT, this partnership is the ideal way to gain a foothold in the huge and growing Indian market. Currently, India is considered to be one of the fastest growing maritime markets. According to the latest reports, India plans immense invest-

ments in building additional ports and in developing its shipbuilding industry and related infrastructure. In fact, Indian harbors plan to triple their cargo handling capacity by 2020.

INTERSCHALT and Jasubhai look forward to an intensive cooperation and mutual benefit in this growing market.

For additional information, please contact our sales department at: sales@interschalt.de.

Expanded range of ECDIS training courses to meet different customer needs

In 2009, the 85th meeting of the "Maritime Safety Committee" of the International Maritime Organization (IMO) approved a proposal to make ECDIS mandatory on all new commercial ships built as of July 2012 and then to later start deploying it on certain existing ships.



Mandatory ECDIS training courses starting in 2012

According to amendments made to the STCW Code in 2010, knowledge learned in ECDIS training courses shall be mandatory for watch officers and captains on all ships equipped with ECDIS. In response, the INTER-

SCHALT Maritime Education and Training Center (MET) is expanding its selection of ECDIS training courses. We offer concurrent type-specific training courses (up to 12 participants each) on various approved ECDIS systems.

Cooperation with market leader Transas

INTERSCHALT and Transas Marine GmbH have arranged extensive cooperation in this area. The MET, certified as "Platinum" training partner by Transas GmbH, now exclusively offers fully manufacturer-authorized seminars. With this partnership, we are underscoring our years of involvement in the area of bridge-based technical installations and are expanding our MET courses to meet the anticipated need.

STCW-certified training courses

With our experience and expertise derived from over 100 ECDIS training courses for captains, officers, pilots and land-based navigators with more than 800 participants in the last three years, we offer a unique platform and program for top-quality ECDIS training courses. Our ECDIS training courses are certified by Germanischer Lloyd as per STCW Guidelines. In addition, we also offer a compact, more economical version of the ECDIS training course. This course is especially intended for those participants who just need basic knowledge without any individual system training.

For more information and to download our complete Course Guide for 2011, please visit us at: www.interschalt.de/MET.

Maritime Education & Training Center also in Manila

In May 2011, INTERSCHALT maritime systems AG will also start operating a second Maritime Education and Training Center. Our second MET will be located in Makati City, in the heart of Manila, the capital of the Philippines. At this time, two bridge

simulators, a machine room simulator, IT training rooms and several seminar rooms are being installed and equipped. Our customers in Manila will benefit from the years of experience of the MET instructors there as well as the training program

especially designed to meet the specific needs of the Philippines.

