GATEWAY TO THE FUTURE

HALF-YEAR FINANCIAL REPORT

2019 HAMBURGER HAFEN UND LOGISTIK AG
JANUARY TO JUNE

HHLA key figures

in € million	HHLA Group 1–6 | 2019	1–6 | 2018	Change
Revenue and earnings			
Revenue	693.7	633.0	9.6 %
EBITDA	192.9	157.7	22.3 %
EBITDA margin in %	27.8	24.9	2.9 pp
EBIT	114.3	99.9	14.4 %
EBIT margin in %	16.5	15.8	0.7 pp
Profit after tax	72.9	68.8	5.9 %
Profit after tax and minority interests	54.7	52.4	4.5 %
Cash flow statement and investments			
Cash flow from operating activities	173.1	95.9	80.5 %
Investments	110.9	44.2	150.8 %
Performance data			
Container throughput in thousand TEU	3,770	3,631	3.8 %
Container transport in thousand TEU	782	713	9.6 %

in € million	30.06.2019	31.12.2018	Change
Balance sheet			
Balance sheet total	2,592.0	1,972.9	31.4 %
Equity	534.4	614.8	- 13.1 %
Equity ratio in %	20.6	31.2	- 10.6 pp
Employees			
Number of employees	6,063	5,937	2.1 %

	Port Logistics subgroup[1, 2]			Real Estate subgroup[1, 3]		
in € million	1–6 | 2019	1–6 | 2018	Change	1–6 | 2019	1–6 | 2018	Change
Revenue	677.5	617.1	9.8 %	19.9	19.3	3.5 %
EBITDA	180.7	146.8	23.1 %	12.2	10.9	12.1 %
EBITDA margin in %	26.7	23.8	2.9 pp	61.2	56.5	4.7 pp
EBIT	105.6	91.4	15.6 %	8.5	8.4	1.3 %
EBIT margin in %	15.6	14.8	0.8 pp	42.7	43.6	- 0.9 pp
Profit after tax and minority interests	49.8	47.3	5.4 %	4.9	5.1	- 3.9 %
Earnings per share in €[4]	0.71	0.68	5.4 %	1.80	1.87	- 3.9 %

1 Before consolidation between subgroups
2 Listed class A shares
3 Non-listed class S shares
4 Basic and diluted

Contents

This Half-year Financial Report was published on **14 August 2019**.
report.hhla.de/half-year-financial-report-2019

To our shareholders

The HHLA share

Stock market data

31.12.2018 – 30.06.2019	HHLA	SDAX	DAX
Change	34.1 %	19.7 %	17.4 %
Closing 31.12.2018	17.33	9,509	10,559
Closing 30.06.2019	23.24	11,378	12,399
High	23.24	11,753	12,413
Low	17.33	9,357	10,417

Playing catch-up under the sword of Damocles

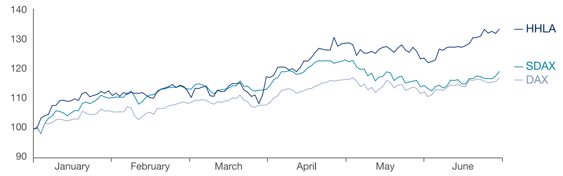
After a weak year for the stock exchange in 2018, the German benchmark index started the year with significant gains and only saw a brief pause in the first half of February when several companies posted figures that were worse than the market expected. The DAX briefly dipped below 11,000 points but quickly resumed its upward trend. In late March, the DAX gathered further momentum – following positive economic reports from China and the USA – and broke through the 200-day line so important to chartists in early April. The index rose by almost 800 points to its year-high so far of 12,413 points. In May, strong company results shored up the stock exchanges while market sentiment was being dampened by the ongoing and increasingly intense trade dispute between the USA and China. Following the announcement of strict counter-measures from Beijing, the DAX temporarily slid below 12,000 points. In the first half of June, the markets calmed and the German benchmark index moved sideways at around 12,000 points. In mid-June, hopes of economic support from the central banks gave the DAX a renewed boost. Positive signs in the tariff dispute between the USA and China spurred the stock markets further. As a result, the DAX closed the first six months at 12,399 points and thus gained a total of 17.4 %. The SDAX performed even with a plus of 19.7 % and closed at 11,378 points on 28 June 2019.

HHLA share beats German benchmark indices

At the start of the year, the HHLA share was already outstripping the strong performance of the benchmark indices. The preliminary figures for the 2018 financial year published on 7 February supported the recovery. Following the publication of the audited figures for the 2018 financial year, the HHLA share price established itself above the € 20-mark. In April, the considerable interest displayed by the capital market was not only reflected in the share's positive price trajectory but also in increased trading volumes. From the second quarter onwards, the HHLA share once again outperformed the benchmark indices and rose to a preliminary year-high of € 22.48 in early May. Over the course of the month, the HHLA share was unable to escape the strong fluctuations on the market and largely developed in line with the benchmark indices. However, the share was able to maintain its lead on the DAX and SDAX. Market expectations for the first quarter were confirmed with the publication of the quarterly figures on 14 May. The positive growth of the Intermodal segment, in particular, was highlighted by capital market participants. HHLA's Annual General Meeting was held on 18 June and attended by approximately 700 shareholders and guests. Approximately 85 % of nominal capital was represented (previous year: 82 %). The shareholders formally approved the actions of HHLA's Executive Board and Supervisory Board for the 2018 financial year with 99.1 % and 97.9 % of the votes cast, respectively. The resolutions proposed by the Supervisory Board and Executive Board were adopted with large majorities, including the payment of a dividend of € 0.80 (previous year: € 0.67) per listed Class A share. This corresponds to a year-on-year dividend increase of 19.4 %. Meanwhile, the usual dip in share price following the payment of dividends failed to materialise. The HHLA share made significant gains in the second half of June and finished at a year-high of € 23.24. The share price therefore rose by 34.1 % compared to year-end 2018. For more information on the share price performance and on the HHLA share, please visit https://hhla.de/en/investor-relations.html

Share price development January to June 2019

Closing prices indexed in %



Source: Datastream

Dialogue with capital market actively maintained

The Investor Relations department continued its proactive communication activities in the first half of 2019 and held a large number of discussions with analysts and investors. HHLA was also represented at various conferences in Europe and the USA. In addition to the strategic realignment and associated investment programme, discussions focused in particular on the Intermodal segment and the status of the dredging project. In the first half of the year, 16 financial analysts covered the HHLA share, meaning that the level of research coverage remained high for an SDAX share. Of the 16 analysts, 15 recommend buying or holding the HHLA share.

Ladies and gentlemen,

We received great appreciation for our work at this year's Annual General Meeting on 18 June. I would like to take this opportunity to thank everyone most warmly, also on behalf of my colleagues on the Executive Board. Particularly in times of uncertainty, the trust of our shareholders in the actions of the Executive Board is something we hold in high regard. Our future-oriented work was also praised recently by prominent representatives from the world of politics. During her visit to the Container Terminal Altenwerder in May, German Chancellor Angela Merkel cited the Port of Hamburg as a successful example of how mobility and global trade could be designed with the environment in mind. Chinese Vice President Wang Qishan, who visited the Container Terminal Tollerort a few days after the German chancellor, was also impressed by HHLA's performance.

> **The topic of sustainability is also an integral element of our successful business development. We are aware of our social responsibility with regard to climate protection and have already taken numerous steps.**

While we are delighted with the recognition for our achievements, we are still aware of our strategic goal of continuing HHLA's successful development. In the first half of the year, we succeeded once again in achieving this goal, as you can read in this report. Container throughput remained at the same high level as last year. The HHLA transport companies achieved significant growth, both in terms of road and rail transport. As a result, we believe that we will safely reach the targets forecast for the 2019 financial year. At the same time, we are keeping a close eye in particular on political developments and their impact on global markets and transport flows. With the recent escalations in the conflict between the USA and Iran, a further flashpoint has emerged which is also affecting the international trade route through the Strait of Hormuz. Although this has not yet had any direct impact on our business, every escalating conflict represents an additional uncertainty factor.

In such unstable environments, it is particularly important not to lose sight of our aims but to adjust our strategy where necessary to the new circumstances. HHLA will therefore continue to work on the consistent implementation of its strategic goals in order to strengthen the company's creative power and future viability. This involves, for example, continuously modernising our facilities. The dismantling of three container gantry cranes at the Container Terminal Burchardkai started in July. New gantry cranes will be built in their place, allowing mega-ships to be processed at an additional berth. We are still firmly committed to the digital projects we have already launched and are searching for further opportunities to drive forward the digital transformation at HHLA.

The topic of sustainability is integral to our successful business growth. We listened carefully when the representative of the "Fridays for Future" climate change movement addressed his expectations to us during his speech held at our Annual General Meeting. We are aware of our social responsibility for greater climate protection and have already done a lot of work in this area – also long before the youth-led Friday protests became a wake-up call for politicians. Our objective is for the entire HHLA Group to be climate-neutral. The Container Terminal Altenwerder is the first of its kind in the world to reduce its CO_2 emissions to practically zero. With HHLA Pure, we will soon be offering a product that can guarantee the carbon-neutral handling of our customers' goods and also their carbon-neutral onward transport by our rail subsidiary Metrans. We are delighted to have already found pilot clients for this environmentally friendly product. We are all aware that we must make more concerted efforts in order to preserve our natural resources. However, this means finding a balance between economic growth, climate protection and business success. And this will necessitate further innovations and investments in clean technologies and services. As the gateway to the future, HHLA wants to do its bit for climate protection.

Yours,

A. Titzrath

Angela Titzrath
Chairwoman of the Executive Board

Interim management report

Economic environment

Macroeconomic development

In light of the ongoing trade dispute between the USA and China, the global economy remained subdued in the first half of 2019. While economic activity in the advanced economies proved surprisingly firm following a weak second half of 2018, the growth dynamic in emerging markets remained below expectations for the first half of 2019. Global trade also reflected the tensions on the markets: according to estimates of the International Monetary Fund (IMF), global trade growth in the first quarter of 2019 was around 0.5 percentage points slower than in the same period last year. This weaker growth was particularly evident in the emerging Asian markets.

The Chinese economy slowed slightly in the second quarter but remained steady with a overall growth of 6.3 % for the first half-year. In Russia, the pace of economic recovery slowed slightly during the first six months. After a weak March, economic growth started to pick up again in April. World Bank estimates put Russia's gross domestic product (GDP) growth at around 0.5 % for the first quarter of 2019.

Following a weak second half to 2018, economic indicators for the eurozone point to a recovery for the first half of 2019, but this will continue to be tempered by Brexit uncertainties. According to Eurostat, economic activity in the first quarter is estimated to have grown by 1.2 %. Outside of the eurozone, the Central and Eastern European markets, most notably Romania and Hungary, displayed highly dynamic growth of 5.1 % and 5.2 %, respectively, in the first quarter of 2019. In Poland, growth tailed off slightly as compared with 2018, but GDP still increased by 4.7 % in the first three months of 2019. Economic output in the Czech Republic consolidated at a stable 2.6 % in the first quarter of 2019.

Weighed down by fears that the current trade disputes might affect German exports, economic growth began to slow in Germany over the course of the year. In the first quarter of 2019, German GDP rose by just 0.4 %. According to the Kiel Institute for the World Economy (IfW), there are signs that GDP may even decrease in the second quarter.

Despite this difficult environment, growth in German foreign trade remained stable. In the period between January and May 2019, export growth of 2.4 % was slightly below the prior-year level. Imports, however, significantly improved on the same period last year with growth of 4.5 %.

Sector development

As anticipated by the market research institute Drewry, growth in global container throughput weakened markedly in the first half of 2019. Although throughput growth of 2.0 % in the first quarter – measured by container throughput in ports around the world – was better than experts had predicted in March, the figure was well below both the same quarter last year and throughput volume in 2018. However, Drewry expects that this will be the worst quarter for 2019 and forecasts a 3.0 % increase in global container throughput for the second quarter.

Development of container throughput by region

in %	**Q2 | 19**	Q1 | 19
World	3.0	2.0
Europe as a whole	2.3	1.8
North-West Europe	3.2	3.8
Scandinavia and the Baltic region	1.5	2.7
Western Mediterranean	2.1	3.0
Eastern Mediterranean and the Black Sea	1.2	- 3.1

Source: Drewry Maritime Research, July 2019

By contrast, the Europe shipping region has significantly benefited from the ongoing trade dispute between the USA and China. After forecasting in March 2019 that volumes at the European ports would fall by 2.2 % in the first quarter, Drewry's experts now anticipate a slight increase for the first three months of 2019. This upward trend is likely to become even firmer in the second quarter. The shipping regions of North-West Europe and Scandinavia and the Baltic region performed much better in the first quarter than recent forecasts had predicted. In the second quarter, growth slowed slightly but still remained at a stable level.

Container throughput in Rotterdam of 7.5 million TEU in the reporting period was 6.4 % up on the first half of 2018. In Antwerp, 5.8 million TEU passed over the quayside in the first six months of the year, resulting in throughput growth of 4.9 %. At the time of reporting, no half-year data was available for the German ports along the North Range. In the first five months of the year, throughput at the Bremen ports amounted to 2.1 million TEU – down 7.7 % on the previous year. The JadeWeserPort in Wilhelmshaven reported throughput of 205 TTEU for the first quarter of 2019, an increase of 28.6 % in volume handled as compared with the same period last year. Throughput at HHLA's Hamburg container terminals amounted to 3.5 million TEU in the first six months, corresponding to a slight increase of 0.1 %.

Course of business and economic situation

Key figures

in € million	1–6 | 2019	1–6 | 2018	Change
Revenue	693.7	633.0	9.6 %
EBITDA	192.9	157.7	22.3 %
EBITDA margin in %	27.8	24.9	2.9 pp
EBIT	114.3	99.9	14.4 %
EBIT margin in %	16.5	15.8	0.7 pp
Profit after tax and minority interests	54.7	52.4	4.5 %
ROCE in %	13.1	14.7	- 1.6 pp

Notes on the reporting

The initial mandatory application of the new IFRS 16 lease standard as of 1 January 2019 has resulted in major changes to the accounting of the HHLA Group as a lessee. The new IFRS 16 regulations resulted in a € 571.2 million increase in the balance sheet total as of 1 January 2019. In addition to the capitalisation of rights of use amounting to € 542.8 million, deferred tax assets amounting to € 28.4 million resulted from the initial application. On the liabilities side, this is opposed by adjustments to revenue reserves (decrease of € 58.5 million due to the recognition of cumulative effects from initial application of the standard) and, significantly, by the recognition of lease liabilities (increase of € 637.4 million). The operating result (EBIT) increased year-on-year as a result of the necessary changes in recognition in profit and loss amounting to approximately € 7.1 million. In the cash flow statement, there was a shift between cash flow from operating activities and cash flow from financing activities. While cash flow from operating activities increased, capital outflows from financing activities also rose because higher redemptions of lease liabilities had to be accounted for.

A decrease in the interest rate used to calculate pension obligations led to an additional increase in pension provisions along with a corresponding reduction in equity. There were no other particular events or transactions during the reporting period, either in HHLA's operating environment or within the Group, that had a significant impact on its results of operations, net assets and financial position. Both the key economic indicators reported for the first half of 2019 and HHLA's actual economic performance were largely in line with the performance forecast in the 2018 Annual Report. Results of operations, Net assets and financial position

There is normally no long-term order backlog for handling and transport services, and thus no use is made of this particular reporting figure.

Earnings position

The economic development of HHLA in the first half of 2019 was encouraging. HHLA recorded a moderate increase in **container throughput** of 3.8 % to 3,770 thousand TEU (previous year: 3,631 thousand TEU). This growth was primarily due to the incorporation of the container terminal in Tallinn into the HHLA consolidated group as of the second half of 2018.

Container transport increased significantly by 9.6 % to 782 thousand TEU (previous year: 713 thousand TEU). Both rail and road transport contributed to this growth.

The HHLA Group's **revenue** rose markedly by 9.6 % to € 693.7 million during the reporting period (previous year: € 633.0 million). Revenue generated by the container terminals and in container transport outstripped the growth in volume described above. The Logistics segment also achieved strong revenue growth. In its Container, Intermodal and Logistics segments, the listed Port Logistics subgroup generated revenue of € 677.5 million in the reporting period (previous year: € 617.1 million). This increase almost matched the trend for the Group as a whole. The non-listed Real Estate subgroup posted moderate revenue growth of 3.5 % to € 19.9 million (previous year: € 19.3 million).

As in the previous year, **changes in inventories** had no noticeable impact on consolidated profit. **Own work capitalised** amounted to € 3.3 million (previous year: € 3.0 million).

Other operating income amounted to € 19.0 million (previous year: € 21.2 million).

With an increase of 7.9 % to € 601.6 million (previous year: € 557.7 million), **operating expenses** rose more slowly than revenue. While the application of IFRS 16 had a positive effect on the cost structure, the year-on-year increase resulted from the growth in volume, the integration of HHLA TK Estonia and the conversion of the company pension scheme.

The **cost of materials** rose by 12.9 % in the reporting period to € 201.7 million (previous year: € 178.7 million). The increase in the cost of materials ratio to 29.1 % (previous year: 28.2 %) was partly due to strong volume growth in the material-intensive Intermodal segment.

Personnel expenses increased in line with revenue growth by 9.4 % year-on-year to € 259.9 million (previous year: € 237.6 million). The personnel expense ratio remained unchanged at 37.5 %. A reduction in the personnel expense ratio in view of increasing volumes was prevented by a temporary increase in personnel at the Container Terminal Tollerort in connection with the launch of the new N4 terminal software, as well as by the conversion of the company pension scheme.

Other operating expenses decreased markedly in the reporting period by 26.6 % to € 61.4 million (previous year: € 83.7 million), primarily as a result of the initial application of IFRS 16. The ratio of expenses to revenue decreased from 13.2 % in the previous year to 8.9 %.

As a result, there was a strong increase in the **operating result before depreciation and amortisation (EBITDA)** of 22.3 % to € 192.9 million (previous year: € 157.7 million). The EBITDA margin increased to 27.8 % in the reporting period (previous year: 24.9 %).

Depreciation and amortisation increased primarily as a result of the initial application of IFRS 16 by 36.0 % to € 78.6 million (previous year: € 57.8 million), while the share of revenue increased to 11.3 % (previous year: 9.1 %).

There was a strong increase in the **operating result (EBIT)** of € 14.4 million or 14.4 % to € 114.3 million during the reporting period (previous year: € 99.9 million). The effects of the initial application of IFRS 16 amounted to € 7.1 million. The EBIT margin amounted to 16.5 % (previous year: 15.8 %). In the Port Logistics subgroup, EBIT rose by 15.6 % to € 105.6 million (previous year: € 91.4 million). The Real Estate subgroup achieved EBIT growth of 1.3 % to € 8.5 million (previous year: € 8.4 million).

Net expenses from the **financial result** increased by € 7.9 million or 105.3 % to € 15.5 million (previous year: € 7.6 million). This was largely due to the changes in lease accounting from the initial application of IFRS 16.

At 26.3 %, the Group's **effective tax rate** was slightly higher than in the previous year (25.5 %).

Profit after tax and minority interests was up on the previous year at € 54.7 million (previous year: € 52.4 million). Earnings per share amounted to € 0.75 (previous year: € 0.72). The listed Port Logistics subgroup achieved earnings per share of € 0.71 (previous year: € 0.68). Earnings per share of the non-listed Real Estate subgroup were down on the prior-year figure at € 1.80 (previous year: € 1.87). Return on capital employed (ROCE) reached 13.1 % (previous year: 14.7 %).

Financial position

Balance sheet analysis

Compared with year-end 2018, the HHLA Group's **balance sheet total** grew by a total of € 619.0 million to € 2,592.0 million as of 30 June 2019 (31 December 2018: € 1,972.9 million).

Balance sheet structure

in € million	30.06.2019	31.12.2018
Assets		
Non-current assets	2,078.0	1,446.9
Current assets	514.0	526.0
	2,592.0	**1,972.9**
Equity and liabilities		
Equity	534.4	614.8
Non-current liabilities	1,790.2	1,114.7
Current liabilities	267.4	243.4
	2,592.0	**1,972.9**

On the assets side of the balance sheet, **non-current assets** rose by € 631.1 million to € 2,078.0 million (31 December 2018: € 1,446.9 million). This was primarily due to effects from the initial application of IFRS 16 amounting to € 571.2 million (primarily attributable to rights of use of € 542.8 million and deferred taxes of € 28.4 million). **Current assets** fell by € 12.0 million to € 514.0 million (31 December 2018: € 526.0 million). This was largely attributable to the decrease in cash, cash equivalents and short-term deposits of € 13.9 million.

On the liabilities side, **equity** fell by € 80.4 million to € 534.4 million compared to the year-end figure (31 December 2018: € 614.8 million). The decrease was largely due to the effects of the initial application of IFRS 16 amounting to € 58.5 million, as well as the payout of dividends amounting to € 62.7 million and interest rate adjustments to pension provisions. Profit for the period under review of € 72.9 million had an opposing effect. The equity ratio decreased to 20.6 % (31 December 2018: 31.2 %).

Non-current liabilities rose by € 675.5 million to € 1,790.2 million (31 December 2018: € 1,114.7 million). This increase is largely due to the effects of the initial application of IFRS 16 amounting to € 589.4 million. Primarily as a result of the interest rate adjustments, pension provisions increased by € 58.1 million compared to 31 December 2018. **Current liabilities** rose by € 24.0 million to € 267.4 million (31 December 2018: € 243.4 million), also primarily due to effects from the initial application of IFRS 16 amounting to € 40.3 million, as well as to an increase in other liabilities. Opposing effects reduced current financial liabilities.

Investment analysis

Capital expenditure in the reporting period totalled € 110.9 million, well above the prior-year figure of € 44.2 million. The main reason for this increase was the capitalisation of a concession agreement for a terminal facility. Property, plant and equipment accounted for € 106.1 million (previous year: € 37.8 million) of capital expenditure, while investments in intangible assets made up € 4.8 million (previous year: € 6.4 million). The majority of capital expenditure was for expansion work.

Liquidity analysis

Cash flow from operating activities rose by € 77.2 million to € 173.1 million as of 30 June 2019 (previous year: € 95.9 million). This was due to the comparatively low increase in trade receivables and current financial assets as compared with the same period in the previous year, as well as the higher increase in trade liabilities and other liabilities. Increased depreciation and amortisation as a result of the initial application of IFRS 16 and the improvement in EBIT also led to an increase in operating cash flow.

Investing activities led to cash outflows of € 90.2 million (previous year: € 84.8 million). This was largely due to payments for short-term deposits. Furthermore, payments for investments in property, plant and equipment were also higher than in the previous year. Payments for company acquisitions in the previous year had an opposing effect due to the acquisition of all shares in HHLA TK Estonia AS, Tallinn, Estonia.

Cash flow from financing activities was € 12.5 million lower than in the previous year. This was primarily due to payments for the acquisition of all minority interests in METRANS a.s. in Prague, Czech Republic, in the previous year. By contrast, the initial application of IFRS 16 resulted in higher payments for the redemption of lease liabilities in the reporting period. No payments were received from the take-up of loans in the reporting period as compared with the same period last year.

Financial funds totalled € 210.1 million as of 30 June 2019 (30 June 2018: € 127.4 million). Including all short-term deposits, the Group's available liquidity at the end of the first half of 2019 amounted to € 260.1 million (30 June 2018: € 127.4 million).

Liquidity analysis

in € million	1–6 | 2019	1–6 | 2018
Financial funds as of 01.01.	**254.0**	**255.5**
Cash flow from operating activities	173.1	95.9
Cash flow from investing activities	- 90.2	- 84.8
Free cash flow	**82.9**	**11.1**
Cash flow from financing activities	- 127.6	- 140.1
Change in financial funds	- 43.9	- 128.1
Financial funds as of 30.06.	**210.1**	**127.4**
Short-term deposits	50.0	0.0
Available liquidity	260.1	127.4

Segment performance

Container segment

Key figures

in € million	1–6 | 2019	1–6 | 2018	Change
Revenue	401.7	380.3	5.6 %
EBITDA	120.5	106.9	12.7 %
EBITDA margin in %	30.0	28.1	1.9 pp
EBIT	71.8	68.2	5.3 %
EBIT margin in %	17.9	17.9	0.0 pp
Container throughput in thousand TEU	3,770	3,631	3.8 %

During the first half of 2019, the **throughput volume** at **HHLA's container terminals** increased moderately by 3.8 % to 3,770 thousand standard containers (TEU) (previous year: 3,631 thousand TEU). The three **Hamburg container terminals** showed a sideways trend with a marginal year-on-year increase in throughput volume of +0.1 % to 3,476 thousand TEU (previous year: 3,473 thousand TEU). The changes in service structure (addition of several services to North America, disposal of a Far East service) were overall slightly positive. Asian routes were virtually on a par with the previous year. Feeder traffic in the Baltic region continued to develop heterogeneously across the various routes and decreased slightly overall. The proportion of seaborne handling by feeders was therefore down slightly by 0.7 percentage points to 22.9 % (previous year: 23.6 %).

Throughput at the **international container terminals** in Odessa and Tallinn amounted to 293 thousand TEU in the reporting period (previous year: 158 thousand TEU). However, the prior-year figures are only comparable to a limited extent, as the container terminal in Tallinn was only incorporated into HHLA's consolidated group as of the second half of 2018.

Due to the increase in volume of 3.8 % combined with an improvement in average revenue in the first six months compared to 2018, **revenue** increased by 5.6 % to € 401.7 million (previous year: € 380.3 million). The average revenue per container handled at the quayside rose by 1.7 % year-on-year. This was caused by contractual rate adjustments as well as an increase in the rail share.

EBIT costs were influenced by the costs of HHLA TK Estonia, consolidated since the second half of 2018 and thus not included in the prior-year figures. Further increases in personnel costs were also recorded at HHLA sites. In addition to temporary increases in staffing at the Container Terminal Tollerort as a result of the launch of the new N4 terminal software, this was primarily due to the conversion of the company pension scheme. The initial application of IFRS 16 led to a slight improvement. EBIT costs rose overall by 5.7 %.

The **operating result (EBIT)** increased by € 3.6 million or 5.3 % year-on-year to € 71.8 million (previous year: € 68.2 million). Of this increase, € 5.2 million is attributable to the application of IFRS 16. The EBIT margin remained unchanged at 17.9 %.

HHLA continued to invest in the future viability and environmental sustainability of its sites in the first half of the year, during which the expansion of the container rail terminal at the Container Terminal Burchardkai was completed. With a new total of ten tracks and four rail gantry cranes, the terminal now offers even more capacity for environmentally friendly transportation. The replacement of diesel-powered automatic goods vehicles (AGVs) with battery-powered AGVs at the Container Terminal Altenwerder (CTA) is progressing according to schedule. The certification of the CTA as a “climate-neutral company” by the TÜV certification authority confirms the efficacy of the measures taken.

Intermodal segment

Key figures

in € million	1–6 | 2019	1–6 | 2018	Change
Revenue	244.1	208.0	17.4 %
EBITDA	70.2	51.5	36.2 %
EBITDA margin in %	28.7	24.8	3.9 pp
EBIT	50.8	38.6	31.6 %
EBIT margin in %	20.8	18.6	2.2 pp
Container transport in thousand TEU	782	713	9.6 %

In the first half of 2019, HHLA’s transport companies achieved strong growth in the highly competitive market for container traffic in the hinterland of major seaports. **Transport volumes** rose by 9.6 % to 782 thousand standard containers (TEU) (previous year: 713 thousand TEU). This trend was driven by growth in both rail and road transport. Compared with the previous year, rail transport increased by 9.3 % to 610 thousand TEU (previous year: 558 thousand TEU). There was above-average growth not only in traffic between the north German seaports, but also in traffic between the Adriatic ports and the Central and Eastern European hinterland. Polish traffic also increased significantly following the successful consolidation in the previous year. In a market environment that remains difficult, road transport grew by 10.8 % to 172 thousand TEU due to the strong increase in delivery volumes (previous year: 155 thousand TEU).

At € 244.1 million, **revenue** was up 17.4 % on the prior-year figure (previous year: € 208.0 million) and thus performed much better than transport volume. In addition to price adjustments, this strong increase in revenue was due in particular to longer transport distances, while the rail share was largely unchanged from the previous year.

The **operating result (EBIT)** rose by 31.6 % to € 50.8 million in the reporting period (previous year: € 38.6 million). This marked increase is primarily due to the positive trend in volume and revenue. Additionally, lower route prices in Germany made it possible to increase further the capacity utilisation of train systems. The application of IFRS 16 did not have a major influence on the positive EBIT trend.

Logistics segment

Key figures

in € million	1–6 | 2019	1–6 | 2018	Change
Revenue	29.7	25.2	18.1 %
EBITDA	4.4	3.3	35.1 %
EBITDA margin in %	14.9	13.0	1.9 pp
EBIT	1.7	1.0	66.4 %
EBIT margin in %	5.9	4.2	1.7 pp
At-equity earnings	2.1	2.3	- 7.9 %

The consolidated companies of the Logistics segment reported highly encouraging **revenue** growth in the first half of 2019. At € 29.7 million, the prior-year figure was exceeded by 18.1 % (previous year: € 25.2 million). This was due in particular to strong volume growth in the vehicle logistics division and the positive order situation in consultancy.

At € 1.7 million, the Logistics segment’s **operating result (EBIT)** far outstripped the prior-year figure (previous year: € 1.0 million). The application of IFRS 16 had no significant effect on the development of the operating result.

At-equity earnings of € 2.1 million in the first half of 2019 were 7.9 % down on the prior-year figure (previous year: € 2.3 million). This was largely due to a burden on earnings from bulk materials handling resulting from the initial application of IFRS 16.

Real Estate segment

Key figures

in € million	**1–6 | 2019**	1–6 | 2018	Change
Revenue	19.9	19.3	3.5 %
EBITDA	12.2	10.9	12.1 %
EBITDA margin in %	61.2	56.5	4.7 pp
EBIT	8.5	8.4	1.3 %
EBIT margin in %	42.7	43.6	- 0.9 pp

The positive trend of the Hamburg office space market continued in the first half of 2019. According to Grossmann & Berger's latest market report, 310,000 m² of office space was let – 24 % more than the previous year's figure of 250,000 m². One major reason for the marked increase in turnover is the high proportion of own-use. The vacancy rate decreased year-on-year by 0.9 percentage points to 3.0 %.

HHLA's properties in the Speicherstadt historical warehouse district and the fish market area reported a positive trend in the first six months of 2019. Although **revenue** in the previous year was already based on virtual full occupancy in both quarters, there was further moderate year-on-year growth of 3.5 % to € 19.9 million (previous year: € 19.3 million).

The increase in planned maintenance work was offset by revenue growth from properties in the Speicherstadt historical warehouse district. The slight 1.3 % rise in the **operating result (EBIT)** to € 8.5 million (previous year: € 8.4 million) is mainly due to the application of IFRS 16.

Employees

Employees

by segments	**30.06.2019**	31.12.2018	Change
Container	3,104	3,134	- 1.0 %
Intermodal	2,155	2,002	7.6 %
Logistics	149	141	5.7 %
Holding/Others[1]	572	580	- 1.4 %
Real Estate[2]	83	80	3.8 %
HHLA Group	**6,063**	**5,937**	**2.1 %**

1 Exclusive employees assigned to the Real Estate subgroup

2 Including employees from Holding/Other who are assigned to the Real Estate subgroup

At the end of the first half of 2019, HHLA employed a total of 6,063 people. Compared with the figure as of 31 December 2018, the number of employees rose by 126.

Employees by segment

Due to the expansion of services and the increase in vertical integration, headcount in the Intermodal segment rose by a further 153 employees to 2,155. Meanwhile, in the Container segment, the number of staff decreased by 30 to 3,104. In the Logistics segment, the number of employees rose by 8 to 149. By contrast, the number of staff employed in the strategic management holding segment Holding/Other – excluding staff assigned to the Real Estate subgroup – decreased by 8. Overall, headcount of the Port Logistics subgroup increased by 123, or 2.1 %. In the Real Estate segment, the number of employees rose by 3 to 83 – including staff in the Holding/Other segment assigned to the Real Estate segment.

Employees by region

In geographical terms, the workforce was concentrated mainly in Germany in the first half of 2019, with 3,475 staff members (31 December 2018: 3,489), the majority of whom worked in Hamburg. This corresponds to a share of 57.3 % (31 December 2018: 58.8 %). Due mainly to the expansion of services and the increase in vertical integration in the Intermodal segment, the number of staff employed abroad increased by 140 or 5.7 % to 2,588 in the first half of 2019 (31 December 2018: 2,448). As a result, headcount at the Intermodal companies in the Czech Republic, Slovakia, Slovenia and Hungary rose by 120 or 7.7 % to 1,678 (31 December 2018: 1,558). The number of staff employed by the subsidiaries in Austria, Poland, Georgia and Estonia increased by 20 or 4.7 % to 449 (31 December 2018: 429). In Ukraine, headcount remained unchanged at 461 (31 December 2018: 461).

Business forecast

Outlook macroeconomy and sector

In its July outlook for 2019, the International Monetary Fund (IMF) largely stood by the forecasts it made at the start of the year. The IMF continues to expect moderately positive economic growth of 3.2 % on the whole for 2019. The organisation only made a minor correction of 0.4 percentage points to its January forecast for the emerging economies, where it anticipates robust growth of 4.1 %. The IMF's outlook for Russia was somewhat gloomier and it downgraded its growth forecast for 2019 by 0.4 percentage points to 1.2 %. As a result of further escalations in the trade dispute between the USA and China, the IMF also lowered its April 2019 outlook for global trade growth by 0.9 percentage points to 2.5 %. In April, the panel of experts had already downgraded its outlook by 0.6 percentage points.

The market research institute Drewry has made noticeable adjustments to its sector outlook for certain shipping regions, compared to the beginning of the year In view of the ongoing political uncertainty and trade conflicts, for example, it has significantly reduced its growth forecasts for global container throughput from 4.1 % to 3.0 %. The outlook for throughput in the European shipping regions, however, has brightened: the experts now anticipate throughput growth in Europe of 2.6 % for 2019 (previously: 2.2 %). The outlook for Scandinavia and the Baltic region was upgraded considerably from 2.4 % at the beginning of the year to 4.2 %. For the Western Mediterranean region, experts now assume an increase in container throughput of 2.0 % (previously: 1.2 %). The outlook for the North-West European ports and the Eastern Mediterranean/ Black Sea region has remained largely unchanged, however, with increases of 3.3 % (previously: 3.2 %) and 1.2 % (previously: 1.1 %), respectively.

Expected Group performance

The economic development of HHLA in the first half of 2019 was in line with expectations. The disclosures made in the 2018 Annual Report regarding the expected course of business in 2019 therefore continue to apply.

Risk and opportunity report

With regard to the HHLA Group's risk and opportunity position, the statements made in the Management Report section of the 2018 Annual Report continue to apply – unless otherwise indicated in this report – with the exception of the risk assessment of pension obligations. Risks from pension obligations have been significantly reduced as any increase in pension provisions from the recognition of further entitlements beyond the previous regulations no longer constitutes a risk. The court found in HHLA's favour.

The risks identified still do not threaten the ongoing existence of the Group. As far as the future is concerned, there are also no discernible risks at present that could jeopardise the continued existence of the company.

Interim financial statements

Income statement – HHLA Group

in € thousand	1–6 | 2019	1–6 | 2018	4–6 | 2019	4–6 | 2018
Revenue	693,655	633,037	346,049	317,822
Changes in inventories	34	515	- 107	- 160
Own work capitalised	3,261	2,964	1,586	1,697
Other operating income	18,986	21,169	10,598	13,146
Cost of materials	- 201,743	- 178,719	- 99,559	- 89,835
Personnel expenses	- 259,852	- 237,589	- 132,588	- 118,913
Other operating expenses	- 61,402	- 83,651	- 31,448	- 43,799
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**192,939**	**157,726**	**94,531**	**79,958**
Depreciation and amortisation	- 78,604	- 57,783	- 39,870	- 27,940
Earnings before interest and taxes (EBIT)	**114,335**	**99,943**	**54,661**	**52,018**
Earnings from associates accounted for using the equity method	2,426	2,731	1,185	1,737
Interest income	1,852	1,033	1,232	427
Interest expenses	- 19,823	- 11,335	- 10,039	- 6,077
Financial result	**- 15,545**	**- 7,571**	**- 7,622**	**- 3,913**
Earnings before tax (EBT)	**98,790**	**92,372**	**47,039**	**48,105**
Income tax	- 25,935	- 23,569	- 12,542	- 12,106
Profit after tax	**72,855**	**68,803**	**34,497**	**35,999**
of which attributable to non-controlling interests	18,166	16,448	9,246	7,334
of which attributable to shareholders of the parent company	54,689	52,355	25,251	28,665
Earnings per share, basic and diluted, in €				
HHLA Group	0.75	0.72	0.35	0.39
Port Logistics subgroup	0.71	0.68	0.32	0.37
Real Estate subgroup	1.80	1.87	0.97	1.08

Statement of comprehensive income – HHLA Group

in € thousand	1–6 | 2019	1–6 | 2018	4–6 | 2019	4–6 | 2018
Profit after tax	**72,855**	**68,803**	**34,497**	**35,999**
Components which cannot be transferred to the income statement				
Actuarial gains/losses	- 51,171	1,866	- 14,126	- 3,524
Deferred taxes	16,516	- 613	4,559	1,139
Total	**- 34,655**	**1,253**	**- 9,567**	**- 2,385**
Components which can be transferred to the income statement				
Cash flow hedges	0	22	0	22
Foreign currency translation differences	2,582	2,783	1,245	1,771
Deferred taxes	- 1	25	0	- 10
Other	1	- 99	- 2	9
Total	**2,582**	**2,731**	**1,243**	**1,792**
Income and expense recognised directly in equity	**- 32,073**	**3,984**	**- 8,324**	**- 593**
Total comprehensive income	**40,782**	**72,786**	**26,173**	**35,406**
of which attributable to non-controlling interests	17,400	16,445	8,939	7,306
of which attributable to shareholders of the parent company	23,382	56,341	17,234	28,100

Income statement – HHLA subgroups

in € thousand; Port Logistics subgroup and Real Estate subgroup; annex to the condensed notes	1–6 | 2019 Group	**1–6 | 2019 Port Logistics**	**1–6 | 2019 Real Estate**	1–6 | 2019 Consolidation
Revenue	693,655	677,467	19,935	- 3,747
Changes in inventories	34	34	0	0
Own work capitalised	3,261	2,861	0	400
Other operating income	18,986	16,792	2,828	- 634
Cost of materials	- 201,743	- 198,191	- 3,868	316
Personnel expenses	- 259,852	- 258,736	- 1,116	0
Other operating expenses	- 61,402	- 59,484	- 5,583	3,665
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**192,939**	**180,743**	**12,196**	**0**
Depreciation and amortisation	- 78,604	- 75,099	- 3,690	185
Earnings before interest and taxes (EBIT)	**114,335**	**105,644**	**8,506**	**185**
Earnings from associates accounted for using the equity method	2,426	2,426	0	0
Interest income	1,852	1,909	18	- 75
Interest expenses	- 19,823	- 18,081	- 1,817	75
Financial result	**- 15,545**	**- 13,746**	**- 1,799**	**0**
Earnings before tax (EBT)	**98,790**	**91,898**	**6,707**	**185**
Income tax	- 25,935	- 23,902	- 1,986	- 47
Profit after tax	**72,855**	**67,996**	**4,721**	**138**
of which attributable to non-controlling interests	18,166	18,166	0	
of which attributable to shareholders of the parent company	54,689	49,829	4,859	0
Earnings per share, basic and diluted, in €	**0.75**	**0.71**	**1.80**	

Statement of comprehensive income – HHLA subgroups

in € thousand; Port Logistics subgroup and Real Estate subgroup; annex to the condensed notes	1–6 | 2019 Group	**1–6 | 2019 Port Logistics**	**1–6 | 2019 Real Estate**	1–6 | 2019 Consolidation
Profit after tax	**72,855**	**67,996**	**4,721**	**138**
Components which cannot be transferred to the income statement				
Actuarial gains/losses	- 51,171	- 50,343	- 828	
Deferred taxes	16,516	16,249	267	
Total	**- 34,655**	**- 34,094**	**- 561**	**0**
Components which can be transferred to the income statement				
Cash flow hedges	0	0	0	
Foreign currency translation differences	2,582	2,582	0	
Deferred taxes	- 1	- 1	0	
Other	1	1	0	
Total	**2,582**	**2,582**	**0**	**0**
Income and expense recognised directly in equity	**- 32,073**	**- 31,512**	**- 561**	**0**
Total comprehensive income	**40,782**	**36,484**	**4,160**	**138**
of which attributable to non-controlling interests	17,400	17,400	0	
of which attributable to shareholders of the parent company	23,382	19,084	4,298	

Income statement – HHLA subgroups

in € thousand; Port Logistics subgroup and Real Estate subgroup; annex to the condensed notes	1–6 | 2018 Group	**1–6 | 2018 Port Logistics**	**1–6 | 2018 Real Estate**	1–6 | 2018 Consolidation
Revenue	633,037	617,078	19,257	- 3,298
Changes in inventories	515	513	2	0
Own work capitalised	2,964	2,515	0	449
Other operating income	21,169	19,010	2,986	- 827
Cost of materials	- 178,719	- 175,235	- 3,805	321
Personnel expenses	- 237,589	- 236,458	- 1,131	0
Other operating expenses	- 83,651	- 80,574	- 6,432	3,355
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**157,726**	**146,849**	**10,877**	**0**
Depreciation and amortisation	- 57,783	- 55,485	- 2,482	184
Earnings before interest and taxes (EBIT)	**99,943**	**91,364**	**8,395**	**184**
Earnings from associates accounted for using the equity method	2,731	2,731	0	0
Interest income	1,033	1,096	20	- 83
Interest expenses	- 11,335	- 10,048	- 1,370	83
Financial result	**- 7,571**	**- 6,221**	**- 1,350**	**0**
Earnings before tax (EBT)	**92,372**	**85,143**	**7,045**	**184**
Income tax	- 23,569	- 21,398	- 2,125	- 46
Profit after tax	**68,803**	**63,745**	**4,920**	**138**
of which attributable to non-controlling interests	16,448	16,448	0	
of which attributable to shareholders of the parent company	52,355	47,297	5,058	
Earnings per share, basic and diluted, in €	**0.72**	**0.68**	**1.87**	

Statement of comprehensive income – HHLA subgroups

in € thousand; Port Logistics subgroup and Real Estate subgroup; annex to the condensed notes	1–6 | 2018 Group	**1–6 | 2018 Port Logistics**	**1–6 | 2018 Real Estate**	1–6 | 2018 Consolidation
Profit after tax	**68,803**	**63,745**	**4,920**	**138**
Components which cannot be transferred to the income statement				
Actuarial gains/losses	1,866	1,553	313	
Deferred taxes	- 613	- 512	- 101	
Total	**1,253**	**1,041**	**212**	**0**
Components which can be transferred to the income statement				
Cash flow hedges	22	22	0	
Foreign currency translation differences	2,783	2,783	0	
Deferred taxes	25	25	0	
Other	- 99	- 99	0	
Total	**2,731**	**2,731**	**0**	**0**
Income and expense recognised directly in equity	**3,984**	**3,772**	**212**	**0**
Total comprehensive income	**72,786**	**67,516**	**5,132**	**138**
of which attributable to non-controlling interests	16,445	16,445	0	
of which attributable to shareholders of the parent company	56,341	51,071	5,270	

Income statement – HHLA subgroups

in € thousand; Port Logistics subgroup and Real Estate subgroup; annex to the condensed notes	4–6 | 2019 Group	4–6 | 2019 Port Logistics	4–6 | 2019 Real Estate	4–6 | 2019 Consolidation
Revenue	346,049	337,626	10,183	- 1,760
Changes in inventories	- 107	- 107	0	0
Own work capitalised	1,586	1,359	0	227
Other operating income	10,598	9,491	1,407	- 300
Cost of materials	- 99,559	- 97,741	- 1,976	158
Personnel expenses	- 132,588	- 131,987	- 601	0
Other operating expenses	- 31,448	- 30,628	- 2,495	1,675
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**94,531**	**88,013**	**6,518**	**0**
Depreciation and amortisation	- 39,870	- 38,082	- 1,868	80
Earnings before interest and taxes (EBIT)	**54,661**	**49,931**	**4,650**	**80**
Earnings from associates accounted for using the equity method	1,185	1,185	0	0
Interest income	1,232	1,261	9	- 38
Interest expenses	- 10,039	- 9,033	- 1,044	38
Financial result	**- 7,622**	**- 6,587**	**- 1,035**	**0**
Earnings before tax (EBT)	**47,039**	**43,344**	**3,615**	**80**
Income tax	- 12,542	- 11,460	- 1,063	- 19
Profit after tax	**34,497**	**31,884**	**2,552**	**61**
of which attributable to non-controlling interests	9,246	9,246	0	
of which attributable to shareholders of the parent company	25,251	22,637	2,613	
Earnings per share, basic and diluted, in €	**0.35**	**0.32**	**0.97**	

Statement of comprehensive income – HHLA subgroups

in € thousand; Port Logistics subgroup and Real Estate subgroup; annex to the condensed notes	4–6 | 2019 Group	4–6 | 2019 Port Logistics	4–6 | 2019 Real Estate	4–6 | 2019 Consolidation
Profit after tax	**34,497**	**31,884**	**2,552**	**61**
Components which cannot be transferred to the income statement				
Actuarial gains/losses	- 14,126	- 13,860	- 266	
Deferred taxes	4,559	4,473	86	
Total	**- 9,567**	**- 9,387**	**- 180**	**0**
Components which can be transferred to the income statement				
Cash flow hedges	0	0	0	
Foreign currency translation differences	1,245	1,245	0	
Deferred taxes	0	0	0	
Other	- 2	- 2	0	
Total	**1,243**	**1,243**	**0**	**0**
Income and expense recognised directly in equity	**- 8,324**	**- 8,144**	**- 180**	**0**
Total comprehensive income	**26,173**	**23,740**	**2,371**	**61**
of which attributable to non-controlling interests	8,939	8,939	0	
of which attributable to shareholders of the parent company	17,234	14,801	2,433	

Income statement – HHLA subgroups

in € thousand; Port Logistics subgroup and Real Estate subgroup; annex to the condensed notes	4–6 | 2018 Group	4–6 | 2018 Port Logistics	4–6 | 2018 Real Estate	4–6 | 2018 Consolidation
Revenue	317,822	309,743	9,835	- 1,756
Changes in inventories	- 160	- 160	0	0
Own work capitalised	1,697	1,461	0	236
Other operating income	13,146	11,956	1,654	- 464
Cost of materials	- 89,835	- 88,188	- 1,928	281
Personnel expenses	- 118,913	- 118,320	- 593	0
Other operating expenses	- 43,799	- 42,552	- 2,950	1,703
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**79,958**	**73,940**	**6,018**	**0**
Depreciation and amortisation	- 27,940	- 26,772	- 1,248	80
Earnings before interest and taxes (EBIT)	**52,018**	**47,168**	**4,770**	**80**
Earnings from associates accounted for using the equity method	1,737	1,737	0	0
Interest income	427	457	11	- 41
Interest expenses	- 6,077	- 5,436	- 682	41
Financial result	**- 3,913**	**- 3,242**	**- 671**	**0**
Earnings before tax (EBT)	**48,105**	**43,926**	**4,099**	**80**
Income tax	- 12,106	- 10,846	- 1,241	- 19
Profit after tax	**35,999**	**33,080**	**2,858**	**61**
of which attributable to non-controlling interests	7,334	7,334	0	
of which attributable to shareholders of the parent company	28,665	25,746	2,919	
Earnings per share, basic and diluted, in €	**0.39**	**0.37**	**1.08**	

Statement of comprehensive income – HHLA subgroups

in € thousand; Port Logistics subgroup and Real Estate subgroup; annex to the condensed notes	4–6 | 2018 Group	4–6 | 2018 Port Logistics	4–6 | 2018 Real Estate	4–6 | 2018 Consolidation
Profit after tax	**35,999**	**33,080**	**2,858**	**61**
Components which cannot be transferred to the income statement				
Actuarial gains/losses	- 3,524	- 3,750	226	
Deferred taxes	1,139	1,212	- 73	
Total	**- 2,385**	**- 2,538**	**153**	**0**
Components which can be transferred to the income statement				
Cash flow hedges	22	22	0	
Foreign currency translation differences	1,771	1,771	0	
Deferred taxes	- 10	- 10	0	
Other	9	9	0	
Total	**1,792**	**1,792**	**0**	**0**
Income and expense recognised directly in equity	**- 593**	**- 746**	**153**	**0**
Total comprehensive income	**35,406**	**32,334**	**3,011**	**61**
of which attributable to non-controlling interests	7,306	7,306	0	
of which attributable to shareholders of the parent company	28,100	25,028	3,072	

Balance sheet – HHLA Group

in € thousand	30.06.2019	31.12.2018
ASSETS		
Intangible assets	90,945	89,753
Property, plant and equipment	1,644,150	1,060,262
Investment property	183,198	184,724
Associates accounted for using the equity method	19,479	16,463
Non-current financial assets	16,994	13,618
Deferred taxes	123,160	82,126
Non-current assets	**2,077,926**	**1,446,946**
Inventories	24,984	22,997
Trade receivables	186,379	179,824
Receivables from related parties	98,694	100,244
Current financial assets	2,999	4,062
Other assets	32,108	30,758
Income tax receivables	1,283	6,656
Cash, cash equivalents and short-term deposits	167,602	181,460
Current financial assets	**514,049**	**526,001**
Balance sheet total	**2,591,975**	**1,972,947**

EQUITY AND LIABILITIES		
Subscribed capital	72,753	72,753
Port Logistics subgroup	70,048	70,048
Real Estate subgroup	2,705	2,705
Capital reserve	141,584	141,584
Port Logistics subgroup	141,078	141,078
Real Estate subgroup	506	506
Retained earnings	451,090	512,369
Port Logistics subgroup	405,274	464,806
Real Estate subgroup	45,816	47,563
Other comprehensive income	- 134,360	- 103,053
Port Logistics subgroup	- 133,402	- 102,655
Real Estate subgroup	- 958	- 398
Non-controlling interests	3,333	- 8,812
Port Logistics subgroup	3,333	- 8,812
Real Estate subgroup	0	0
Equity	**534,400**	**614,841**
Pension provisions	506,991	448,930
Other non-current provisions	111,959	110,138
Non-current liabilities to related parties	503,906	104,999
Non-current financial liabilities	649,273	429,886
Deferred taxes	18,064	20,704
Non-current liabilities	**1,790,193**	**1,114,657**
Other current provisions	20,981	28,045
Trade liabilities	84,921	87,043
Current liabilities to related parties	33,573	7,940
Current financial liabilities	71,822	82,684
Other liabilities	51,672	32,800
Income tax liabilities	4,413	4,937
Current liabilities	**267,382**	**243,449**
Balance sheet total	**2,591,975**	**1,972,947**

Balance sheet – HHLA subgroups

in € thousand; Port Logistics subgroup and Real Estate subgroup; annex to the condensed notes	30.06.2019 Group	**30.06.2019 Port Logistics**	**30.06.2019 Real Estate**	30.06.2019 Consolidation
ASSETS				
Intangible assets	90,945	90,934	11	0
Property, plant and equipment	1,644,150	1,606,111	24,357	13,682
Investment property	183,198	28,518	179,712	- 25,032
Associates accounted for using the equity method	19,479	19,479	0	0
Non-current financial assets	16,994	12,929	4,065	0
Deferred taxes	123,160	133,675	0	- 10,515
Non-current assets	**2,077,926**	**1,891,646**	**208,145**	**- 21,865**
Inventories	24,984	24,907	77	0
Trade receivables	186,379	185,097	1,282	0
Receivables from related parties	98,694	81,852	17,640	- 798
Current financial assets	2,999	2,838	161	0
Other assets	32,108	30,756	1,352	0
Income tax receivables	1,283	1,304	18	- 39
Cash, cash equivalents and short-term deposits	167,602	165,951	1,651	0
Current assets	**514,049**	**492,705**	**22,181**	**- 837**
Balance sheet total	**2,591,975**	**2,384,351**	**230,326**	**- 22,702**
EQUITY AND LIABILITIES				
Subscribed capital	72,753	70,048	2,705	0
Capital reserve	141,584	141,078	506	0
Retained earnings	451,090	405,274	54,346	- 8,530
Other comprehensive income	- 134,360	- 133,402	- 958	0
Non-controlling interests	3,333	3,333	0	0
Equity	**534,400**	**486,331**	**56,599**	**- 8,530**
Pension provisions	506,991	499,418	7,573	0
Other non-current provisions	111,959	109,188	2,771	0
Non-current liabilities to related parties	503,906	485,563	18,343	0
Non-current financial liabilities	649,273	539,286	109,987	0
Deferred taxes	18,064	11,958	19,441	- 13,335
Non-current liabilities	**1,790,193**	**1,645,413**	**158,115**	**- 13,335**
Other current provisions	20,981	20,796	185	0
Trade liabilities	84,921	81,756	3,165	0
Current liabilities to related parties	33,573	30,451	3,920	- 798
Current financial liabilities	71,822	65,477	6,345	0
Other liabilities	51,672	49,714	1,958	0
Income tax liabilities	4,413	4,413	39	- 39
Current liabilities	**267,382**	**252,607**	**15,612**	**- 837**
Balance sheet total	**2,591,975**	**2,384,351**	**230,326**	**- 22,702**

Balance sheet – HHLA subgroups

in € thousand; Port Logistics subgroup and Real Estate subgroup; annex to the condensed notes	31.12.2018 Group	**31.12.2018 Port Logistics**	**31.12.2018 Real Estate**	31.12.2018 Consolidation
ASSETS				
Intangible assets	89,753	89,739	14	0
Property, plant and equipment	1,060,262	1,042,010	4,359	13,893
Investment property	184,724	30,444	179,710	- 25,430
Associates accounted for using the equity method	16,463	16,463	0	0
Non-current financial assets	13,618	9,505	4,113	0
Deferred taxes	82,126	92,371	0	- 10,245
Non-current assets	**1,446,946**	**1,280,532**	**188,196**	**- 21,782**
Inventories	22,997	22,949	48	0
Trade receivables	179,824	178,624	1,200	0
Receivables from related parties	100,244	80,571	20,462	- 789
Current financial assets	4,062	3,959	103	0
Other assets	30,758	29,483	1,275	0
Income tax receivables	6,656	6,869	612	- 825
Cash, cash equivalents and short-term deposits	181,460	180,312	1,148	0
Current assets	**526,001**	**502,767**	**24,848**	**- 1,614**
Balance sheet total	**1,972,947**	**1,783,299**	**213,044**	**- 23,396**
EQUITY AND LIABILITIES				
Subscribed capital	72,753	70,048	2,705	0
Capital reserve	141,584	141,078	506	0
Retained earnings	512,369	464,806	56,231	- 8,668
Other comprehensive income	- 103,053	- 102,655	- 398	0
Non-controlling interests	- 8,812	- 8,812	0	0
Equity	**614,841**	**564,465**	**59,045**	**- 8,668**
Pension provisions	448,930	442,114	6,816	0
Other non-current provisions	110,138	107,724	2,414	0
Non-current liabilities to related parties	104,999	104,999	0	0
Non-current financial liabilities	429,886	317,968	111,918	0
Deferred taxes	20,704	14,382	19,435	- 13,113
Non-current liabilities	**1,114,657**	**987,187**	**140,583**	**- 13,113**
Other current provisions	28,045	27,846	199	0
Trade liabilities	87,043	82,560	4,483	0
Current liabilities to related parties	7,940	7,545	1,184	- 789
Current financial liabilities	82,684	77,509	5,175	0
Other liabilities	32,800	31,463	1,337	0
Income tax liabilities	4,937	4,724	1,038	- 825
Current liabilities	**243,449**	**231,647**	**13,416**	**- 1,614**
Balance sheet total	**1,972,947**	**1,783,299**	**213,044**	**- 23,396**

Cash flow statement – HHLA Group

in € thousand	1–6 | 2019	1–6 | 2018
1. Cash flow from operating activities		
Earnings before interest and taxes (EBIT)	114,335	99,943
Depreciation, amortisation, impairment and reversals on non-financial non-current assets	78,604	57,783
Increase (+), decrease (-) in provisions	- 1,935	- 2,350
Gains (-), losses (+) from the disposal of non-current assets	- 3,267	- 3,350
Increase (-), decrease (+) in inventories, trade receivables and other assets not attributable to investing or financing activities	- 10,557	- 38,422
Increase (+), decrease (-) in trade payables and other liabilities not attributable to investing or financing activities	31,878	13,509
Interest received	1,222	907
Interest paid	- 16,035	- 6,268
Income tax paid	- 19,918	- 24,805
Exchange rate and other effects	- 1,228	- 1,034
Cash flow from operating activities	**173,099**	**95,913**
2. Cash flow from investing activities		
Proceeds from disposal of intangible assets, property, plant and equipment and investment property	4,447	4,169
Payments for investments in property, plant and equipment and investment property	- 59,590	- 30,334
Payments for investments in intangible assets	- 4,846	- 6,430
Payments for the acquisition of interests in consolidated companies and other business units (including funds purchased)	- 2,650	- 72,236
Proceeds (+), payments (-) for short-term deposits	- 27,550	20,000
Cash flow from investing activities	**- 90,190**	**- 84,831**
3. Cash flow from financing activities		
Payments for equity repatriation	0	- 342
Payments for increasing interests in fully consolidated companies	0	- 51,845
Dividends paid to shareholders of the parent company	- 61,719	- 52,342
Dividends/settlement obligation paid to non-controlling interests	- 29,661	- 30,901
Redemption of lease liabilities	- 22,068	- 2,058
Proceeds from the issuance of bonds and (financial) loans	0	11,077
Payments for the redemption of (financial) loans	- 14,164	- 13,675
Cash flow from financing activities	**- 127,612**	**- 140,086**
4. Financial funds at the end of the period		
Change in financial funds (subtotals 1.–3.)	- 44,703	- 129,004
Change in financial funds due to exchange rates	787	890
Financial funds at the beginning of the period	253,989	255,514
Financial funds at the end of the period	**210,073**	**127,400**

Cash flow statement – HHLA subgroups

in € thousand; Port Logistics subgroup and Real Estate subgroup; annex to the condensed notes	1–6 | 2019 Group	**1–6 | 2019 Port Logistics**	**1–6 | 2019 Real Estate**	1–6 | 2019 Consolidation
1. Cash flow from operating activities				
Earnings before interest and taxes (EBIT)	114,335	105,644	8,506	185
Depreciation, amortisation, impairment and reversals on non-financial non-current assets	78,604	75,099	3,690	- 185
Increase (+), decrease (-) in provisions	- 1,935	- 1,789	- 146	
Gains (-), losses (+) from the disposal of non-current assets	- 3,267	- 3,267	0	
Increase (-), decrease (+) in inventories, trade receivables and other assets not attributable to investing or financing activities	- 10,557	- 10,691	125	9
Increase (+), decrease (-) in trade payables and other liabilities not attributable to investing or financing activities	31,878	31,977	- 90	- 9
Interest received	1,222	1,279	18	- 75
Interest paid	- 16,035	- 15,216	- 894	75
Income tax paid	- 19,918	- 18,242	- 1,676	
Exchange rate and other effects	- 1,228	- 1,228	0	
Cash flow from operating activities	**173,099**	**163,566**	**9,533**	**0**
2. Cash flow from investing activities				
Proceeds from disposal of intangible assets, property, plant and equipment and investment property	4,447	4,447	0	
Payments for investments in property, plant and equipment and investment property	- 59,590	- 57,187	- 2,403	
Payments for investments in intangible assets	- 4,846	- 4,845	- 1	
Payments for the acquisition of interests in consolidated companies and other business units (including funds purchased)	- 2,650	- 2,650	0	
Proceeds (+), payments (-) for short-term deposits	- 27,550	- 27,550	0	
Cash flow from investing activities	**- 90,190**	**- 87,786**	**- 2,404**	**0**
3. Cash flow from financing activities				
Payments for equity repatriation	0	0	0	
Payments for increasing interests in fully consolidated companies	0	0	0	
Dividends paid to shareholders of the parent company	- 61,719	- 56,040	- 5,679	
Dividends/settlement obligation paid to non-controlling interests	- 29,661	- 29,661	0	
Redemption of lease liabilities	- 22,068	- 20,605	- 1,463	
Proceeds from the issuance of bonds and (financial) loans	0	0	0	
Payments for the redemption of (financial) loans	- 14,164	- 12,200	- 1,964	
Cash flow from financing activities	**- 127,612**	**- 118,506**	**- 9,106**	**0**
4. Financial funds at the end of the period				
Change in financial funds (subtotals 1.–3.)	- 44,703	- 42,727	- 1,976	0
Change in financial funds due to exchange rates	787	787	0	
Financial funds at the beginning of the period	253,989	232,862	21,127	
Financial funds at the end of the period	**210,073**	**190,922**	**19,151**	**0**

Cash flow statement – HHLA subgroups

in € thousand; Port Logistics subgroup and Real Estate subgroup; annex to the condensed notes	1–6 | 2018 Group	1–6 | 2018 Port Logistics	1–6 | 2018 Real Estate	1–6 | 2018 Consolidation
1. Cash flow from operating activities				
Earnings before interest and taxes (EBIT)	99,943	91,364	8,395	184
Depreciation, amortisation, impairment and reversals on non-financial non-current assets	57,783	55,485	2,482	- 184
Increase (+), decrease (-) in provisions	- 2,350	- 2,127	- 223	
Gains (-), losses (+) from the disposal of non-current assets	- 3,350	- 3,349	- 1	
Increase (-), decrease (+) in inventories, trade receivables and other assets not attributable to investing or financing activities	- 38,422	- 37,973	- 630	181
Increase (+), decrease (-) in trade payables and other liabilities not attributable to investing or financing activities	13,509	11,874	1,816	- 181
Interest received	907	970	20	- 83
Interest paid	- 6,268	- 4,478	- 1,873	83
Income tax paid	- 24,805	- 23,315	- 1,490	
Exchange rate and other effects	- 1,034	- 1,034	0	
Cash flow from operating activities	**95,913**	**87,417**	**8,496**	**0**
2. Cash flow from investing activities				
Proceeds from disposal of intangible assets, property, plant and equipment and investment property	4,169	4,168	1	
Payments for investments in property, plant and equipment and investment property	- 30,334	- 24,377	- 5,957	
Payments for investments in intangible assets	- 6,430	- 6,430	0	
Payments for the acquisition of interests in consolidated companies and other business units (including funds purchased)	- 72,236	- 72,236	0	
Proceeds (+), payments (-) for short-term deposits	20,000	20,000	0	
Cash flow from investing activities	**- 84,831**	**- 78,875**	**- 5,956**	**0**
3. Cash flow from financing activities				
Payments for equity repatriation	- 342	- 342	0	
Payments for increasing interests in fully consolidated companies	- 51,845	- 51,845	0	
Dividends paid to shareholders of the parent company	- 52,342	- 46,933	- 5,409	
Dividends/settlement obligation paid to non-controlling interests	- 30,901	- 30,901	0	
Redemption of lease liabilities	- 2,058	- 2,058	0	
Proceeds from the issuance of bonds and (financial) loans	11,077	11,077	0	
Payments for the redemption of (financial) loans	- 13,675	- 11,712	- 1,963	
Cash flow from financing activities	**- 140,086**	**- 132,714**	**- 7,372**	**0**
4. Financial funds at the end of the period				
Change in financial funds (subtotals 1.–3.)	- 129,004	- 124,172	- 4,832	0
Change in financial funds due to exchange rates	890	890	0	
Financial funds at the beginning of the period	255,514	244,631	10,883	
Financial funds at the end of the period	**127,400**	**121,349**	**6,051**	**0**

Statement of changes in equity – HHLA Group

in € thousand

	Parent company					
		Subscribed capital		Capital reserve	Retained consolidated earnings	Reserve for foreign currency translation
	A division	S division	A division	S division		
Balance as of 31 December 2017	**70,048**	**2,705**	**141,078**	**506**	**469,672**	**- 70,041**
Adjustment due to first-time adoption of IFRS 9					68	
Balance as of 1 January 2018	**70,048**	**2,705**	**141,078**	**506**	**469,740**	**- 70,041**
Dividends					- 52,342	
Acquisition of non-controlling interests in consolidated companies					- 17,311	
Deconsolidation of interests in related parties						
Total comprehensive income					52,355	2,748
Other changes					- 101	14
Balance as of 30 June 2018	**70,048**	**2,705**	**141,078**	**506**	**452,341**	**- 67,279**
Balance as of 31 December 2018	**70,048**	**2,705**	**141,078**	**506**	**512,369**	**- 68,410**
Adjustment due to first-time adoption of IFRS 16					- 54,249	
Balance as of 1 January 2019	**70,048**	**2,705**	**141,078**	**506**	**458,120**	**- 68,410**
Dividends					- 61,719	
Total comprehensive income					54,689	2,605
Balance as of 30 June 2019	**70,048**	**2,705**	**141,078**	**506**	**451,090**	**- 65,805**

Other comprehensive income						
Cash flow hedges	Actuarial gains/ losses	Deferred taxes on changes recognised directly in equity	Other	**Parent company interests**	**Non-controlling interests**	**Total consolidated equity**
405	**- 80,248**	**25,813**	**11,633**	**571,570**	**30,790**	**602,359**
				68	34	102
405	**- 80,248**	**25,813**	**11,633**	**571,638**	**30,823**	**602,461**
				- 52,342	0	- 52,342
				- 17,311	- 32,597	- 49,908
				0	- 342	- 342
22	1,909	- 606	- 88	56,341	16,445	72,786
				- 87	- 110	- 197
427	**- 78,339**	**25,207**	**11,545**	**558,239**	**14,219**	**572,457**
438	**- 68,725**	**22,125**	**11,519**	**623,653**	**- 8,812**	**614,841**
				- 54,249	- 4,251	- 58,500
438	**- 68,725**	**22,125**	**11,519**	**569,404**	**- 13,063**	**556,341**
				- 61,719	- 1,005	- 62,723
	- 50,066	16,161	- 8	23,382	17,400	40,782
438	**- 118,791**	**38,286**	**11,511**	**531,067**	**3,333**	**534,400**

Statement of changes in equity – HHLA Port Logistics subgroup (A division)

in € thousand; annex to the condensed notes

	Parent company			
	Subscribed capital	Capital reserve	Retained consolidated earnings	Reserve for foreign currency translation
Balance as of 31 December 2017	**70,048**	**141,078**	**426,068**	**- 70,041**
Adjustment due to first-time adoption of IFRS 9			70	
Balance as of 1 January 2018	**70,048**	**141,078**	**426,138**	**- 70,041**
Dividends			- 46,933	
Acquisition of non-controlling interests in consolidated companies			- 17,311	
Deconsolidation of interests in related parties				
Total comprehensive income subgroup			47,298	2,748
Other changes			- 101	14
Balance as of 30 June 2018	**70,048**	**141,078**	**409,091**	**- 67,279**
Balance as of 31 December 2018	**70,048**	**141,078**	**464,805**	**- 68,410**
Adjustment due to first-time adoption of IFRS 16			- 53,322	
Balance as of 1 January 2019	**70,048**	**141,078**	**411,484**	**- 68,410**
Dividends			- 56,039	
Total comprehensive income subgroup			49,829	2,605
Balance as of 30 June 2019	**70,048**	**141,078**	**405,274**	**- 65,805**

Other comprehensive income						
Cash flow hedges	Actuarial gains/losses	Deferred taxes on changes recognised directly in equity	Other	**Parent company interests**	**Non-controlling interests**	**Total subgroup consolidated equity**
405	**- 79,867**	**25,690**	**11,633**	**525,014**	**30,790**	**555,803**
				70	34	103
405	**- 79,867**	**25,690**	**11,633**	**525,084**	**30,823**	**555,907**
				- 46,933	0	- 46,933
				- 17,311	- 32,597	- 49,908
				0	- 342	- 342
22	1,596	- 505	- 88	51,071	16,445	67,516
				- 87	- 110	- 197
427	**- 78,271**	**25,185**	**11,545**	**511,824**	**14,219**	**526,043**
438	**- 68,138**	**21,935**	**11,519**	**573,276**	**- 8,812**	**564,465**
				- 53,322	- 4,251	- 57,573
438	**- 68,138**	**21,935**	**11,519**	**519,954**	**- 13,063**	**506,892**
				- 56,039	- 1,005	- 57,044
	- 49,238	15,895	- 8	19,084	17,400	36,484
438	**- 117,376**	**37,830**	**11,511**	**482,998**	**3,333**	**486,331**

Statement of changes in equity – HHLA Real Estate subgroup (S division)

in € thousand; annex to the condensed notes

Balance as of 31 December 2017
Adjustment due to first-time adoption of IFRS 9
Balance as of 1 January 2018
Dividends
Total comprehensive income subgroup
Balance as of 30 June 2018
Plus income statement consolidation effect
Less balance sheet consolidation effect
Total effects of consolidation
Balance as of 30 June 2018
Balance as of 31 December 2018
Adjustment due to first-time adoption of IFRS 16
Balance as of 1 January 2019
Dividends
Total comprehensive income subgroup
Balance as of 30 June 2019
Plus income statement consolidation effect
Less balance sheet consolidation effect
Total effects of consolidation
Balance as of 30 June 2019

Subscribed capital	Capital reserve	Retained consolidated earnings	Other comprehensive income: Actuarial gains/losses	Other comprehensive income: Deferred taxes on changes recognised directly in equity	Total subgroup consolidated equity
2,705	506	52,530	- 381	123	55,482
		- 2			- 2
2,705	506	52,528	- 381	123	55,480
		- 5,409			- 5,409
		4,920	313	- 101	5,132
2,705	506	52,039	- 68	22	55,203
		137			137
		- 8,926			- 8,926
		- 8,789			- 8,789
2,705	506	43,250	- 68	22	46,414
2,705	506	56,231	- 587	189	59,045
		- 927			- 927
2,705	506	55,305	- 587	189	58,118
		- 5,679			- 5,679
		4,721	- 828	267	4,160
2,705	506	54,346	- 1,415	457	56,599
		138			138
		- 8,668			- 8,668
		- 8,530			- 8,530
2,705	506	45,816	- 1,415	457	48,069

Segment report – HHLA Group

in € thousand; business segments; annex to the condensed notes	Port Logistics subgroup					
	Container		Intermodal		Logistics	
	1–6 | 2019	1–6 | 2018	**1–6 | 2019**	1–6 | 2018	**1–6 | 2019**	1–6 | 2018
Segment revenue						
Segment revenue from non-affiliated third parties	398,042	376,817	243,105	207,320	25,743	22,259
Inter-segment revenue	3,696	3,495	985	669	3,975	2,907
Total segment revenue	**401,738**	**380,312**	**244,090**	**207,989**	**29,718**	**25,166**
Earnings						
EBITDA	120,494	106,928	70,150	51,499	4,419	3,272
EBITDA margin	30.0 %	28.1 %	28.7 %	24.8 %	14.9 %	13.0 %
EBIT	71,802	68,176	50,773	38,585	1,746	1,049
EBIT margin	17.9 %	17.9 %	20.8 %	18.6 %	5.9 %	4.2 %
Assets						
Segment assets	1,296,335	895,542	562,559	417,801	42,056	38,173
Other segment information						
Investments in property, plant and equipment and investment property	25,610	14,816	73,803	15,566	1,281	239
Investments in intangible assets	1,007	444	390	243	282	39
Total investments	**26,617**	**15,260**	**74,193**	**15,809**	**1,563**	**278**
Depreciation of property, plant and equipment and investment property	45,895	35,602	19,277	12,826	2,648	2,190
Amortisation of intangible assets	2,797	3,150	100	88	25	33
Total amortisation and depreciation	**48,692**	**38,752**	**19,377**	**12,914**	**2,673**	**2,223**
Earnings from associates accounted for using the equity method	280	401	0	0	2,147	2,330
Non-cash items	15,294	13,233	283	799	1,255	851
Container throughput in thousand TEU	3,770	3,631	–	–		
Container transport in thousand TEU	–	–	782	713		

Holding/Other		Real Estate subgroup Real Estate		Total		Consolidation and reconciliation with Group		Group	
1–6 | 2019	1–6 | 2018	**1–6 | 2019**	1–6 | 2018	**1–6 | 2019**	1–6 | 2018	**1–6 | 2019**	1–6 | 2018	**1–6 | 2019**	1–6 | 2018
8,063	8,585	18,702	18,056	693,655	633,037	0	0	693,655	633,037
68,026	64,569	1,233	1,201	77,915	72,841	- 77,915	- 72,841	0	0
76,089	**73,154**	**19,935**	**19,257**	**771,570**	**705,878**				
- 14,110	- 14,783	12,196	10,877	193,149	157,793	- 210	- 67	192,939	157,726
- 18.5 %	- 20.2 %	61.2 %	56.5 %						
- 19,391	- 17,283	8,506	8,395	113,436	98,923	899	1,020	114,335	99,943
- 25.5 %	- 23.6 %	42.7 %	43.6 %						
141,287	104,722	210,997	194,674	2,253,234	1,650,912	338,741	146,797	2,591,975	1,797,710
374	1,225	4,999	5,957	106,068	37,802	0	0	106,068	37,802
3,377	5,778	1	0	5,057	6,502	- 210	- 72	4,846	6,430
3,751	**7,003**	**5,000**	**5,957**	**111,125**	**44,304**	**- 210**	**- 72**	**110,914**	**44,232**
4,359	1,837	3,687	2,477	75,866	54,932	- 852	- 851	75,014	54,081
922	662	3	5	3,847	3,938	- 257	- 236	3,590	3,702
5,281	**2,499**	**3,690**	**2,482**	**79,713**	**58,870**	**- 1,109**	**- 1,087**	**78,604**	**57,783**
0	0	0	0	2,426	2,731	0	0	2,426	2,731
10,550	7,487	135	241	27,518	22,611	1	- 44	27,518	22,566

Condensed notes

1. Basic information on the Group

The Group's parent company is Hamburger Hafen und Logistik Aktiengesellschaft, Bei St. Annen 1, 20457 Hamburg (HHLA), Germany, registered in the Hamburg Commercial Register under HRB 1902. The holding company above the HHLA Group is HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH, Hamburg (HGV).

To illustrate the earnings, net assets and financial position of the subgroups, the annex to these condensed notes contains the income statement, the statement of comprehensive income, the balance sheet, the cash flow statement and the statement of changes in equity for each subgroup.

The condensed interim consolidated financial statements, and therefore the information in the Notes, are presented in euros (€). For the sake of clarity, the individual items are shown in thousands of euros (€ thousand) unless otherwise indicated. Due to the use of rounding procedures, it is possible that some figures do not add up to the stated sums.

2. Significant events in the reporting period

On 22 March 2019, HHLA AG signed a share purchase agreement to acquire 50.1 % of shares in Bionic Production AG, based in Lüneburg, Germany. The closing of the transaction (corresponds acquisition date) is tied to various closing conditions and will take place in the third quarter of 2019. The first-time consolidation of the company shall take place on the acquisition date. The company shall therefore join the HHLA group of consolidated companies for the first time on 30 September 2019.

There were no further events or transactions during the period under review that had an impact on the Group's earnings, net assets and financial position.

3. Consolidation, accounting and valuation principles

3.1 Basis for preparation of the financial statements

The condensed interim consolidated financial statements for the period from 1 January to 30 June 2019 were prepared in compliance with the rules of IAS 34.

The IFRS requirements that apply in the European Union have been met in full.

The condensed interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements as of 31 December 2018.

3.2 Principal accounting and valuation methods

The accounting and valuation methods used for the preparation of the condensed interim consolidated financial statements correspond to the methods used in the preparation of the consolidated financial statements as of 31 December 2018.

The company started applying the following new standards on 1 January 2019:

- Amendments to IAS 19 *Plan Amendment, Curtailment or Settlement*
- Amendments to IAS 28 *Long-term Interests in Associates and Joint Ventures*
- IFRS 16 *Leases*
- Amendments to IFRS 9 *Prepayment Features with Negative Compensation*
- IFRIC 23 *Accounting for Uncertainties in Income Taxes*
- Improvements to IFRS 2015–2017 Cycle

IFRS 16 entails major amendments to reporting standards for lessees. In general, all leases will be recognised as rights of use for accounting purposes as of the time of initial application.

The HHLA Group shall take into account the modified retrospective approach during the initial application of IFRS 16. With this method, the comparative prior-year figures are not adjusted; changeover effects must therefore be recognised as adjustments to revenue reserves as of 1 January 2019. As part of the modified retrospective approach, an average incremental borrowing rate of 2.5 % as of 1 January 2019 has been used to calculate the lease liability. Within Germany, the incremental borrowing rate ranges between 0.4 % and 2.2 %. As a result of the materiality of longer-term lease agreements, the average German incremental borrowing rate is 2.0 %. Outside of Germany, this value ranges between 2.1 % and 12.7 %. As a result of the higher proportion of countries with lower financing costs, the average incremental borrowing rate outside of Germany is 3.5 %.

In respect of many of the contracts, HHLA recognises the usage rights for leased assets under property, plant and equipment in the amount of the corresponding present value of lease liabilities at first-time application, meaning that no equity effects will arise at this time. Due to their material importance, usage rights for rental agreements for space at the Port of Hamburg, which were previously recognised as operating leases, will be recognised at their carrying amounts, as though IFRS 16 had applied since the start of the lease. This results in significant changeover effects as of 1 January 2019, which are shown as adjustments to revenue reserves.

As a lessee, HHLA takes the opportunity not to recognise usage rights and lease liabilities for short-term leases whose term is a maximum of twelve months, or leases where the underlying asset is of low value. For these leases, lease payments are recorded as expenses instead.

The following table shows the reconciliation of carrying amounts from IAS 17 to IFRS 16:

Reconciliation of carrying amounts from IAS 17 to IFRS 16

in € thousand	Carrying amounts according as at 31 December 2018	Reclassifi-cations of finance leases	Adjustments due to IFRS 16 (modified retroactively, Option a)	Adjustments due to IFRS 16 (modified retroactively, Option b)	**Carrying amounts according as at 1 January 2019**
Assets					
Property, plant and equipment					
Land/buildings	453,200	- 91,285			361,915
Rights of use - Land/buildings	0	91,285	341,384	161,021	593,690
Technical equipment and machinery	306,095	- 14,596			291,499
Rights of use - Technical equipment and machinery	0	14,596		208	14,804
Other plant, operating and office equipment	219,464	- 34,525			184,939
Rights of use - Other plant, operating and office equipment	0	34,525		49,532	84,057
Payments on account and plants under construction	81,504			- 9,267	72,237
Deferred taxes	82,126		28,356		110,482
Equity and liabilities					
Equity					
Retained earnings of the parent company	512,369		- 55,252	1,003	458,120
Non-controlling interests	- 8,812		- 4,250		- 13,062
Other non-current provisions	110,138			- 5,920	104,218
Other non-current provisions from leases	5,920			- 5,920	0
Non-current liabilities to related parties	104,999		408,193		513,192
Liabilities from leases Maturity 1 to 5 years	2,796		97,120		99,916
Liabilities from leases Maturity over 5 years	102,203		311,073		413,276
Non-current financial liabilities	429,886			187,170	617,056
Liabilities from leases Maturity 1 to 5 years	10,839			56,414	67,253
Liabilities from leases Maturity over 5 years	22,946			130,756	153,702
Other current provisions	28,045		- 1,371	- 371	26,303
Other current provisions from leases	1,742		- 1,371	- 371	0
Current liabilities to related parties	7,940		22,420		30,360
Liabilities from leases	471		22,420		22,891
Current financial liabilities	82,684			19,612	102,296
Liabilities from leases	5,124			19,612	24,736

Option a): Assets are measured using the incremental borrowing rate at the date of transition as if IFRS 16 had been applied from the inception of the lease (IFRS 16.C8 (b) (i)).

Option b): The asset is measured at the same value as the liability at the time of initial application (IFRS 16.C8 (b) (ii)).

The reconciliation of off-balance sheet lease obligations as of 31 December 2018 with lease obligations recorded on the balance sheet as of 1 January 2019 is as follows:

Reconciliation

in € thousand	
Minimum lease payments due to non-cancellable operating leases as of December 31, 2018	1,015,936
Minimum lease payments on finance lease liabilities as of 31 December 2018	271,275
Less application facilitation for short-term leases	- 8,214
Less application facilitation for leases of low value assets	- 209
Less conditional rental payments	- 112,997
Less other	- 34,535
Gross lease liabilities under IFRS 16 as of January 1, 2019	**1,131,256**
Less interest portion included in lease liabilities	- 349,482
Lease liabilities according to IFRS 16 as of January 1, 2019	**781,774**
Less present value of liabilities from finance leases according to IAS 17 as of December 31, 2018	- 144,379
Additional lease liabilities due to the first-time adoption of IFRS 16 as of January 1, 2019	**637,395**

No effects on the consolidated financial statements arise from the application of any other standards.

The following new amendments to standards can be applied on a voluntary basis for the financial year under review. They have not been applied by HHLA:

- Amendments to IAS 1 and IAS 8 *Definition of Materiality*
- Amendments to IFRS 3 *Definition of a Business*
- Amendments to References to the Conceptual Framework in IFRS Standards

3.3 Changes in the group of consolidated companies

The company TIP Žilina, s.r.o., Dunajska Streda, Slovakia, was included in the HHLA group of consolidated companies for the first time in the first quarter of 2019. This company was founded in 2017 and began operating in the second quarter of 2019.

With the participation and shareholder agreement of 20 December 2018, HHLA acquired 25.1 % of the shares in Spherie UG (limited liability), Hamburg, as of the transfer date on 1 January 2019. The object of the company is the development, production and distribution of aerial systems exclusively for the capture of 360° sensor data, as well as services connected with the aerial systems to capture 360° sensor data. The company was included in HHLA's consolidated financial statements in the first quarter of 2019 using the equity method and is assigned to the Logistics segment.

No other changes in the group of consolidated companies took place during the reporting period.

4. Purchase and sale of shares in subsidiaries

There were no acquisitions or disposals of shares in subsidiaries in the first six months of 2019.

5. Leases

As of 30 June 2019, the following valuations from lease payments are recorded on the balance sheet:

Leases in the balance sheet

in € thousand	30.06.2019
ASSETS	**2,591,975**
Non-current assets	**2,077,926**
Property, plant and equipment	1,644,150
Rights of use from leases	723,737
EQUITY AND LIABILITIES	**2,591,975**
Non-current liabilities	**1,790,193**
Non-current liabilities to related parties	503,906
Liabilities from leases	503,906
Non-current financial liabilities	649,273
Liabilities from leases	261,029
Current liabilities	**267,382**
Current liabilities to related parties	33,573
Liabilities from leases	23,628
Current financial liabilities	71,822
Liabilities from leases	25,709

Rights of use are amortised on a straight-line basis over the term of the lease payments or over the useful life of the leased assets, whichever is shorter.

6. Earnings per share

The following table illustrates the calculation for basic earnings per share for the Group and the subgroups:

Basic earnings per share in €

	Group		Port Logistics subgroup		Real Estate subgroup	
	1–6 | 2019	1–6 | 2018	**1–6 | 2019**	1–6 | 2018	**1–6 | 2019**	1–6 | 2018
Share of consolidated net profit attributable to shareholders of the parent company in € thousand	54,689	52,355	49,829	47,297	4,859	5,058
Number of common shares in circulation	72,753,334	72,753,334	70,048,834	70,048,834	2,704,500	2,704,500
	0.75	**0.72**	**0.71**	**0.68**	**1.80**	**1.87**

The diluted earnings per share are identical to basic earnings per share since there were no conversion or option rights in circulation during the reporting period.

7. Dividends paid

At the Annual General Meeting held on 18 June 2019, shareholders approved the proposal by the Executive Board and Supervisory Board to distribute a dividend of € 0.80 per share to the shareholders of the Port Logistics subgroup and of € 2.10 per share to the shareholders of the Real Estate subgroup. The total dividend of € 61,719 thousand was paid accordingly on 21 June 2019.

8. Segment report

The segment report is presented as an annex to the condensed notes.

The HHLA Group's segment report is prepared in accordance with the provisions of IFRS 8 and requires reporting on the basis of the internal reports to the Executive Board for the purpose of controlling commercial activities.

The segment performance indicator used is the internationally customary key figure EBIT (earnings before interest and taxes), which serves to measure the success in each segment and therefore aids internal control. For further information, please refer to the consolidated financial statements as of 31 December 2018.

The accounting and valuation principles applied for internal reporting comply with the principles applied by the HHLA Group described in Note 6 "Accounting and valuation principles" in the Notes to the consolidated financial statements as of 31 December 2018.

Segment information is reported on the basis of the internal control function, which is consistent with external reporting and is classified in accordance with the activities of the HHLA Group's business segments. These are organised and managed autonomously in accordance with the type of services being offered.

The HHLA Group still operates in four business units: the Container, Intermodal, Logistics and Real Estate segments.

The Holding/Other division used for segment reporting does not represent an independent business segment as defined by the IFRS standard. However, it has been allocated to the segments within the Port Logistics subgroup in order to provide a complete and clear picture.

The reconciliation of segment assets with Group assets incorporates not only items for which consolidation is mandatory, but also claims arising from current and deferred income taxes, cash and cash equivalents, short-term deposits and financial assets that are not to be assigned to segment assets.

The reconciliation of the segment variable EBIT with consolidated earnings before taxes (EBT) incorporates not only transactions between the segments and the subgroups for which consolidation is mandatory, but also the proportion of companies accounted for using the equity method, net interest income and the other financial result.

Reconciliation of the segment EBIT with consolidated earnings before taxes (EBT)

in € thousand	1–6 | 2019	1–6 | 2018
Segment earnings (EBIT)	**113,436**	**98,923**
Elimination of business relations between the segments and subgroups	899	1,020
Group earnings (EBIT)	**114,335**	**99,943**
Earnings from associates accounted for using the equity method	2,426	2,731
Net interest income	- 17,971	- 10,302
Other financial result	0	0
Earnings before tax (EBT)	**98,790**	**92,372**

9. Equity

The breakdown and development of HHLA's equity for the period from 1 January to 30 June of the years 2019 and 2018 are presented in the statement of changes in equity.

10. Pension provisions

The calculation of pension provisions as of 30 June 2019 was based on an interest rate of 0.70 % (31 December 2018: 1.60 %; 30 June 2018: 1.50 %). The calculation of the HHLA capital plan as of 30 June 2019 was based on an interest rate of 0.90 % (31 December 2018: 1.80 %; 30 June 2018: 1.70 %). Actuarial gains/losses changed as follows. These are recognised in equity without effect on profit and loss.

Development of actuarial gains/losses

in € thousand	2019	2018
Cumulative actuarial gains (+)/losses (-) as of 1 January	**- 68,783**	**- 80,303**
Changes in the financial year due to a change in interest rates and experience-based adjustments	- 51,040	1,899
Cumulative actuarial gains (+)/losses (-) as of 30 June	**- 119,823**	**- 78,404**

11. Investments

As of 30 June 2019, total capital expenditure throughout the HHLA Group amounted to € 110.9 million (previous year: € 44.2 million).

The reason for the increase in expenditure was primarily the activation of a concession contract for a terminal facility. The largest investments up to the end of the first half of 2019 were made in the Container and Intermodal segments and are primarily categorised as investments for expansion work.

As of 30 June 2019, the Container and Intermodal segments accounted for the bulk of investment commitments at € 179.3 million.

12. Financial instruments

The tables below show the carrying amounts and fair values of financial assets and financial liabilities, including their level in the fair value hierarchy.

Financial assets as of 30 June 2019

in € thousand	Carrying amount: Amortised cost	Carrying amount: Fair value through profit or loss	Carrying amount: Fair value through other compre-hensive income	Carrying amount: **Balance sheet value**	Fair Value: Level 1	Fair Value: Level 2	Fair Value: Level 3	Fair Value: **Total**
Financial assets measured at fair value								
Financial assets		1,003	7,750	8,753	8,753			8,753
	0	**1,003**	**7,750**	**8,753**				
Financial assets not measured at fair value								
Financial assets	11,240			11,240				
Trade receivables	186,379			186,379				
Receivables from related parties	98,694			98,694				
Cash, cash equivalents and short-term deposits	167,602			167,602				
	463,915	**0**	**0**	**463,915**				

Financial assets as of 31 December 2018

in € thousand	Carrying amount: Amortised cost	Carrying amount: Fair value through profit or loss	Carrying amount: Fair value through other compre-hensive income	Carrying amount: **Balance sheet value**	Fair Value: Level 1	Fair Value: Level 2	Fair Value: Level 3	Fair Value: **Total**
Financial assets measured at fair value								
Financial assets		425	5,061	5,486	5,486			5,486
	0	**425**	**5,061**	**5,486**				
Financial assets not measured at fair value								
Financial assets	12,194			12,194				
Trade receivables	179,824			179,824				
Receivables from related parties	100,244			100,244				
Cash, cash equivalents and short-term deposits	181,460			181,460				
	473,722	**0**	**0**	**473,722**				

Financial liabilities as of 30 June 2019

in € thousand	Carrying amount: Amortised cost	Carrying amount: Fair value through profit or loss	Carrying amount: **Balance sheet value**	Fair Value: Level 1	Fair Value: Level 2	Fair Value: Level 3	Fair Value: **Total**
Financial liabilities measured at fair value							
Financial liabilities			0				
	0	**0**	**0**				
Financial liabilities not measured at fair value							
Financial liabilities	**721,095**		**721,095**				
Liabilities from bank loans	357,264		357,264		368,332		368,332
Finance lease liabilities	286,738		286,738		286,738		286,738
Settlement obligation	32,645		32,645		32,645		32,645
Other financial liabilities	44,448		44,448		44,448		44,448
Trade liabilities	**84,921**		**84,921**				
Liabilities to related parties	**537,479**		**537,479**				
Finance lease liabilities	527,534		527,534		599,193		599,193
Other	9,945		9,945				
	1,343,495	**0**	**1,343,495**				

Financial liabilities as of 31 December 2018

in € thousand	Carrying amount: Amortised cost	Carrying amount: Fair value through profit or loss	Carrying amount: **Balance sheet value**	Fair Value: Level 1	Fair Value: Level 2	Fair Value: Level 3	Fair Value: **Total**
Financial liabilities measured at fair value							
Financial liabilities			0				
	0	**0**	**0**				
Financial liabilities not measured at fair value							
Financial liabilities	**512,570**		**512,570**				
Liabilities from bank loans	369,656		369,656		371,340		371,340
Finance lease liabilities	38,909		38,909		38,909		38,909
Settlement obligation, long-term	32,645		32,645		32,645		32,645
Settlement obligation, short-term	28,655		28,655				
Other financial liabilities	42,705		42,705		42,705		42,705
Trade liabilities	**87,043**		**87,043**				
Liabilities to related parties	**112,939**		**112,939**				
Finance lease liabilities	105,470		105,470		140,337		140,337
Other	7,469		7,469				
	712,552	**0**	**712,552**				

In the first half of 2019, changes in value of € 588 thousand were recognised in the income statement on financial assets and/or liabilities held at fair value through profit and loss. These relate to hedging transactions that do not constitute effective hedging relationships as per IFRS 9. The transactions cover a total amount of € 58,500 thousand and have remaining terms of up to 43 months.

The valuation methods and key unobservable input factors for calculating fair value are described in the Notes to the Consolidated Financial Statements as of 31 December 2018.

13. Transactions with respect to related parties

There are various contracts between the Free and Hanseatic City of Hamburg and/or the Hamburg Port Authority and companies in the HHLA Group for the lease of land and quay walls in the Port of Hamburg and in the Speicherstadt historical warehouse district. Moreover, the HHLA Group lets office space to other enterprises and public institutions affiliated with the Free and Hanseatic City of Hamburg. Further information about these business relationships can be found in the Consolidated Financial Statements as of 31 December 2018.

The amounts reported for receivables from related parties as of 30 June 2019 remained largely the same as those recorded as of 31 December 2018. The amounts reported for liabilities to related parties were mainly affected as a result of adjustments from the initial application of IFRS 16.

14. Events after the balance sheet date

There were no significant events after the balance sheet date of 30 June 2019.

Hamburg, 29 July 2019

Hamburger Hafen und Logistik Aktiengesellschaft

The Executive Board

Angela Titzrath	Jens Hansen	Dr. Roland Lappin	Torben Seebold

Assurance of the legal representatives

To the best of our knowledge, and in accordance with the applicable accounting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the earnings, net assets and financial position of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group for the remainder of the financial year.

Hamburg, 29 July 2019

Hamburger Hafen und Logistik Aktiengesellschaft

The Executive Board

Angela Titzrath   Jens Hansen   Dr. Roland Lappin   Torben Seebold

Review report

To Hamburger Hafen und Logistik Aktiengesellschaft, Hamburg

We have reviewed the condensed interim consolidated financial statements – comprising the balance sheet, the income statement, the statement of comprehensive income, the cash flow statement, the statement of changes in equity and selected explanatory Notes – and the interim group management report of Hamburger Hafen und Logistik Aktiengesellschaft, Hamburg, for the period from 1 January to 30 June 2019, which are part of the six-monthly financial report pursuant to Section 115 of the German Securities Trading Act (WpHG). The company's Executive Board is responsible for preparation of the condensed interim consolidated financial statements in accordance with IFRS on interim financial reporting as adopted by the EU and for preparation of the interim group management report in accordance with the provisions of the WpHG applicable to interim group management reports. Our responsibility is to issue a report on the condensed interim consolidated financial statements and the interim group management report based on our review.

We conducted our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer, IDW). Those standards require that we plan and perform the review to obtain a certain level of assurance in our critical appraisal to preclude that the condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IFRS on interim financial reporting as adopted by the EU and that the interim group management report is not prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports. A review is limited primarily to making enquiries of company personnel and applying analytical procedures and thus does not provide the assurance that we would obtain from an audit of financial statements. In accordance with our engagement, we have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IFRS on interim financial reporting as adopted by the EU or that the interim group management report is not prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports.

We issue this report on the basis of the engagement agreed with the company, which is based on the accompanying General Terms of Engagement for German Public Auditors and Public Audit Firms dated 1 January 2017, also with effect vis-à-vis third parties.

Hamburg, 30 July 2019

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Claus Brandt
Wirtschaftsprüfer
[German Public Auditor]

Christoph Fehling
Wirtschaftsprüfer
[German Public Auditor]

Financial calendar

27 March 2019

Annual Report 2018
Analyst Conference Call

9 May 2019

Interim Statement January–March 2019
Analyst Conference Call

18 June 2019

Annual General Meeting

14 August 2019

Half-year Financial Report January–June 2019
Analyst Conference Call

13 November 2019

Interim Statement January–September 2019
Analyst Conference Call

Imprint

Published by

Hamburger Hafen und Logistik AG
Bei St. Annen 1
20457 Hamburg
Phone +49 40 3088 – 0
Fax +49 40 3088 – 3355
info@hhla.de
www.hhla.de

Investor relations

Phone +49 40 3088 – 3100
Fax +49 40 3088 – 55 3100
investor-relations@hhla.de

Corporate communications

Phone +49 40 3088 – 3520
Fax +49 40 3088 – 3355
unternehmenskommunikation@hhla.de

Photography

Thies Rätzke

Design and implementation

nexxar GmbH, Vienna
Online annual reports and online sustainabilty reports

This **Half-year Financial Report** was published on **14 August 2019**.
http://report.hhla.de/half-year-financial-report-2019/

The **2018 Annual Report** is available online at:
http://report.hhla.de/annual-report-2018

This Half-year Financial Report, including its supplemental financial information, should be read in conjunction with the 2018 Annual Report of Hamburger Hafen und Logistik Aktiengesellschaft (HHLA). You can find basic information about the Group and its consolidation, accounting and valuation principles in the HHLA 2018 Annual Report. This document also contains forward-looking statements that are based on the current assumptions and expectations of the HHLA management team. Forward-looking statements are indicated through the use of words such as expect, intend, plan, anticipate, assume, believe, estimate and other similar formulations. These statements are not guarantees that these predictions will prove to be correct. The future development and the actual results achieved by HHLA and its affiliated companies are dependent on a wide range of risks and uncertainties and may therefore deviate greatly from the forward-looking statements. Many of these factors are outside of HHLA's control and therefore cannot be accurately estimated, such as the future economic environment and the actions of competitors and others involved in the marketplace. HHLA neither plans nor undertakes any special obligation to update the forward-looking statements.

HAMBURGER HAFEN UND LOGISTIK AKTIENGESELLSCHAFT
Bei St. Annen 1, 20457 Hamburg
Telephone: +49 40 3088-0, Fax: +49 40 3088-3355, www.hhla.de, info@hhla.de