

HHLA

125 Years

1885–2010



Q2

HAMBURGER HAFEN UND LOGISTIK AKTIENGESELLSCHAFT  
INTERIM REPORT JANUARY TO JUNE 2010

## HHLA key figures

|  |              | HHLA Group   |              |          |
|--|--------------|--------------|--------------|----------|
|  |              | 1 - 6   2010 | 1 - 6   2009 | Change   |
| <b>Revenue and earnings</b>                  |              |              |              |          |
| Revenue                                      | € million    | 505.1        | 501.0        | 0.8 %    |
| EBITDA                                       | € million    | 134.6        | 143.7        | - 6.3 %  |
| EBITDA margin                                | %            | 26.7         | 28.7         | - 2.0 pp |
| EBIT   | € million    | 81.4         | 81.5         | - 0.2 %  |
| EBIT margin                                  | %            | 16.1         | 16.3         | - 0.2 pp |
| EBIT from continuing activities <sup>1</sup> | € million    | 79.4         | 95.1         | - 16.5 % |
| EBIT margin from continuing activities       | %            | 15.7         | 19.1         | - 3.4 pp |
| Profit after tax                             | € million    | 44.9         | 43.7         | 2.7 %    |
| Profit after tax and minority interests      | € million    | 28.5         | 25.7         | 11.2 %   |
| <b>Balance sheet and cash flow statement</b> |              |              |              |          |
| Total assets                                 | € million    | 1,621.1      | 1,547.5      | 4.8 %    |
| Equity                                       | € million    | 632.3        | 624.8        | 1.2 %    |
| Equity ratio                                 | %            | 39.0         | 40.4         | - 1.4 pp |
| Cash flow from operating activities          | € million    | 93.6         | 92.9         | 0.8 %    |
| Investments                                  | € million    | 65.9         | 102.4        | - 35.7 % |
| <b>Employees</b>                             |              |              |              |          |
| Employees at the end of the quarter          | #            | 4,684        | 4,859        | - 3.6 %  |
| <b>Performance data</b>                      |              |              |              |          |
| Container throughput                         | thousand TEU | 2,633        | 2,419        | 8.9 %    |
| Container transport <sup>2</sup>             | thousand TEU | 798          | 716          | 11.4 %   |

|  |           | Subgroup Port Logistics <sup>3, 4</sup> |              |          | Subgroup Real Estate <sup>3, 5</sup> |              |        |
|--|-----------|---|--------------|----------|--------------------------------------|--------------|--------|
|  |           | 1 - 6   2010                            | 1 - 6   2009 | Change   | 1 - 6   2010                         | 1 - 6   2009 | Change |
| Revenue                                      | million € | 490.7                                   | 486.8        | 0.8 %    | 16.6                                 | 16.6         | 0.1 %  |
| EBITDA                                       | million € | 125.9                                   | 135.2        | - 6.9 %  | 8.8                                  | 8.6          | 2.1 %  |
| EBITDA margin                                | %         | 25.7                                    | 27.8         | - 2.1 pp | 52.8                                 | 51.7         | 1.1 pp |
| EBIT   | million € | 74.5                                    | 74.9         | - 0.5 %  | 6.7                                  | 6.5          | 2.6 %  |
| EBIT margin                                  | %         | 15.2                                    | 15.4         | - 0.2 pp | 40.4                                 | 39.4         | 1.0 pp |
| EBIT from continuing activities <sup>1</sup> | million € | 72.5                                    | 88.5         | - 18.0 % |                                      |              |        |
| EBIT margin from continuing activities       | %         | 14.8                                    | 18.3         | - 3.5 pp |                                      |              |        |
| Profit after tax and minority interests      | million € | 25.4                                    | 22.8         | 11.4 %   | 3.0                                  | 2.7          | 9.9 %  |
| Earnings per share <sup>6</sup>              | €/share   | 0.36                                    | 0.33         | 9.1 %    | 1.15                                 | 1.05         | 9.5 %  |

<sup>1</sup> EBIT without one-off restructuring effects of CTL (previous year: CTL and combisped). <sup>2</sup> The transport volume was fully consolidated. <sup>3</sup> Before consolidation between subgroups.

<sup>4</sup> Listed A shares. <sup>5</sup> Non-listed S shares. <sup>6</sup> Basic and diluted.

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This document contains forward-looking statements which are based on the current estimates and assumptions by the corporate management of Hamburger Hafen und Logistik Aktiengesellschaft (HHLA). Forward-looking statements are characterized by the use of words such as expect, intend, plan, predict, assume, believe, estimate, anticipate and similar formulations. Such statements are not to be understood as in any way guaranteeing that those expectations will turn out to be accurate. Future performance and the results actually achieved by HHLA and its affiliated companies depend on a number of risks and uncertainties and may therefore differ materially from the forward-looking statements. Many of these factors are outside the control of HHLA and cannot be accurately estimated in advance, such as the future economic environment and the actions of competitors and others involved in the marketplace. HHLA neither plans nor undertakes to update any forward-looking statements.

# THE SHARE

Backed by good economic data, the positive trend on international stock markets that began in March initially continued in the second quarter. As a result, the German lead index DAX reached its 2008 level from before the collapse of the investment bank Lehman Brothers for the first time. This spurred both the DAX and the MDAX on to new highs for the year. This trend came to an end when the escalating debt crisis in Greece in early May triggered a wave of selling on the exchanges. The heavy losses spread when the US Dow Jones index

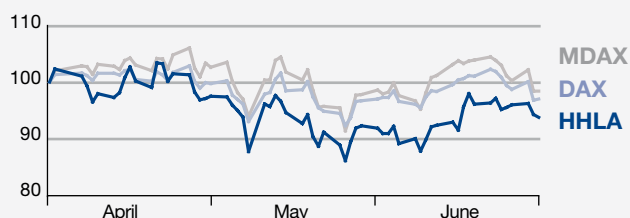
## Stock market data

31.03.2010 - 30.06.2010

|                           | HHLA           | MDAX           | DAX            |
|---------------------------|----------------|----------------|----------------|
| <b>Change</b>             | <b>- 7.4 %</b> | <b>- 4.1 %</b> | <b>- 4.8 %</b> |
| <b>Closing 31.03.2010</b> | € 28.09        | 8,144          | 6,154          |
| <b>Closing 30.06.2010</b> | € 26.00        | 7,811          | 5,857          |
| <b>High</b>               | € 29.05        | 8,642          | 6,332          |
| <b>Low</b>                | € 24.11        | 7,429          | 5,670          |

## Performance

CLOSINGS IN %, INDEX = 100



Source: Datastream

fell by 9 % within a few minutes on 6 May. Even the bail-out package put together for over-indebted countries in the euro-zone only decelerated the downswing temporarily. It was not until the end of May that a recovery set in, which was largely driven by technical factors, gaining additional momentum when the OECD raised its growth forecasts. By the end of the quarter the markets were trending downwards again: fears of slowing economic growth in China, disappointing economic data from the USA and prolonged worries about government debt in the eurozone led to uncertainty. Overall development was therefore moderate in the second quarter. The DAX closed at 5,857 points on 30 June, some 5 % below its closing rate for the first quarter. The MDAX finished the quarter at 7,811 points, down around 4 %.

The price of the HHLA share broadly moved in line with the volatile tendency of the stock market as a whole. After a good start to the second quarter, culminating in a high on 20 April, the share came under pressure along with the market in May. Bolstered by positive industry data, the share price then recovered again, developing in line with the German indices until the first quarterly report was published

on 12 May. While the delayed recovery in throughput and transport volumes over the first three months of the year was met with caution, the improved volume forecast and further detailing of the outlook for the full year elicited a positive response. Despite this, the HHLA share was not able to escape the general downward trend, however. After the outlook for the year was reconfirmed at the Annual General Meeting held on 16 June, the share price picked up again sharply with high trading volumes and was even able to more than offset the discount for the dividend payment of €0.40 per listed Class A share made the following day. In a weaker market environment the HHLA share closed the quarter at €26.00 on 30 June, around 7 % below the closing price of the previous quarter.

In terms of capital market communications, the second quarter was used primarily for investor meetings in continental Europe, Great Britain and the USA. The focus of the strong ongoing interest in HHLA was on the opportunities for using its stable business model to benefit to a disproportionately high level from the economic upturn. Expecting increasing throughput and transport volumes, analysts were most recently predominantly optimistic in this respect.

# FOREWORD



Ladies and Gentlemen,

The economic recovery gained momentum over the course of the first six months of 2010. Throughput and transport volumes as well as revenue and earnings were substantially above the previous year in the second quarter. Altogether, HHLA showed a slight increase in revenue for the first half-year and managed to limit the strong decline in earnings in the first quarter. Both our successful cost management and our investment in expanding our range of services contributed to this achievement. The new mega-ship berth at

the Container Terminal Burchardkai demonstrated its capabilities on 13 July 2010 with the handling of the “CMA CGM Christophe Colomb”, the largest container ship ever seen in the Port of Hamburg. The market embraced this offer immediately: in the second half-year a major new Asia–Europe service will dock at Burchardkai, adding volume increases.

In recent months we have also made important preparations for developing our intermodal network. This entails the progressive transfer of the successful business model of our intermodal subsidiary Metrans, with its shuttle train systems and large hinterland terminals for the Czech Republic, Slovakia and Hungary, to other transport regions in the European hinterland. In June 2010 we opened a cutting-edge hinterland terminal in Katowice that links Silesia more closely with the Port of Hamburg and meets all the demands of maritime logistics. The joint venture IPN Inland Port Network, founded in March by HHLA and Eurogate, is to set up a network of similar terminals in Germany in the years ahead too. The joint venture between the HHLA subsidiary CTD and the Bremen-based transport company EKB is also intended to make substantial improvements to intermodal maritime transport chains. CTD and EKB plan to offer a comprehensive network for the “last mile” of container transport between the hinterland terminal and the customer.

Despite the current rate of volume growth, which gives us greater confidence regarding the remainder of the year, the effects of the economic crisis are not yet overcome. In addition to the risks of an economic backslide, this applies particularly to the still high capacities in the ports of the North Range. HHLA is well equipped to face these challenges: by continuing to pursue our consistent cost management and further expanding our services and integrated business model we will manage risks and also make active use of opportunities in the future.

A stylized, handwritten signature in blue ink, consisting of several fluid, connected strokes.

Klaus-Dieter Peters  
Chairman of the Executive Board

# INTERIM MANAGEMENT REPORT

- Accelerated recovery of throughput and transport volumes
- Revenue growth back to €505,1 million for the first time
- Operating profit (EBIT) reached €81.4 million
- Free cash flow improves to €63.2 million

## Economic environment

### MACROECONOMIC DEVELOPMENT

Over the course of the year 2010, the global economy has recovered faster than originally expected. According to the International Monetary Fund (IMF) the global gross domestic product (GDP) rose in the first quarter of 2010 year on year by more than 5 %. In the second quarter both industrial production and global trade are expected to have expanded at double-digit rates compared with the previous year. This global growth has been driven by the developing and emerging markets, in particular in Asia. However, production also increased substantially in industrial countries.

The economic upturn is partly due to increased inventory build-ups and ongoing expansive fiscal policies. The economic framework has, however, recently deteriorated somewhat.

International financial markets had to cope with turbulence again as a result of the Greek debt crisis. Governments in key emerging markets have begun to tighten economic policy to avert over-heating and the formation of speculative bubbles.

In early 2010 the greatest impetus for the world economy came from China. According to recent data, GDP increased in the first half of 2010 by around 11 % year on year, while exports increased by 35 %. Nevertheless, there are indications for a slight economic slowdown here too.

The German economy is expected to have expanded by around 2 % year on year in the first half of 2010. After beginning modestly at the start of the year, the recovery

accelerated significantly in the spring. New orders and production both climbed strongly and foreign trade volumes increased by 15 % in the period from January to May 2010 compared to the previous year.

### SECTOR DEVELOPMENT

Global container throughput went up further in the second quarter of 2010. According to initial estimates more containers were handled in May 2010 than in July 2008, the previous record month. Overall, volumes in the first half-year of 2010 are reckoned to have increased



Large container vessel on the river Elbe in Hamburg.

by around 17 % compared with the same period a year ago. This increase in traffic reduced the number of idle ships considerably. While at the start of the year around 10 % of global shipping capacity was not in operation, by the end of June the figure was just 3 %. Shipping companies have reactivated old services or launched new ones and on some routes have curtailed the practice of “slow steaming”, intended to cut fuel consumption and reduce capacity by extending transport times.

On the key routes for Hamburg between Asia and Europe transport volumes rose by a total of around 20 % between January and May 2010 in comparison with 2009. Chinese ports handled around 20 % more containers in the first two quarters of 2010 than in the same period last year. In contrast, certain target regions for HHLA in Central and Eastern Europe still showed only restrained development.

Throughput growth accelerated sharply at the HHLA container terminals in Hamburg and Odessa over the course of the first half-year of 2010. A year-on-year rise of 17.8 % in the second quarter took the increase for the first half of 2010 up to 8.9 %. The growth drivers at the HHLA terminals in Hamburg were primarily the shipping regions Far East, up by 11.4 %, and South America, up by 18.7 %. A turnaround is also being felt in feeder traffic to the Baltic region. In the first quarter of 2010 feeder traffic to the Eastern European Baltic ports fell by 10.1 %, but for the entire first half-year it already managed an increase of 3.3 %.

## Group performance

| Key figures                                  |          | 1 - 6   2010 | 1 - 6   2009 | Change   |
|--|----------|--------------|--------------|----------|
| Revenue                                      | €million | 505.1        | 501.0        | 0.8 %    |
| EBITDA                                       | €million | 134.6        | 143.7        | - 6.3 %  |
| EBITDA margin                                | %        | 26.7         | 28.7         | - 2.0 pp |
| EBIT   | €million | 81.4         | 81.5         | - 0.2 %  |
| EBIT margin                                  | %        | 16.1         | 16.3         | - 0.2 pp |
| EBIT from continuing activities <sup>1</sup> | €million | 79.4         | 95.1         | - 16.5 % |
| EBIT margin from cont. activities            | %        | 15.7         | 19.1         | - 3.4 pp |
| Profit after tax and minority interests      | €million | 28.5         | 25.7         | 11.2 %   |
| ROCE   | %        | 12.3         | 15.1         | - 2.8 pp |

<sup>1</sup> EBIT without one-off restructuring effects of CTL (previous year: CTL and combisped).

For the purposes of transparent reporting, EBIT from continuing activities, which has been included since the second quarter of 2009, has been maintained for the financial year 2010. Last year the difference to the reported EBIT stemmed from one-off restructuring expenses and operating losses at two companies, which were subsequently discontinued ► see also interim report for January to June 2009.

In the current financial year, the difference is due to the proceeds of the appreciation in value of assets of a discontinued company.

In order to present a better overview of total staff deployment expenses in the HHLA Group, expenses for port-related external staff will be recognized in personnel expenses rather than in the cost of materials, beginning with the financial year 2010. The following



information takes a corresponding reclassification between these two expense items into account. The figures in the income statement for the previous year have been adjusted accordingly. This does not affect the operating result.

The recovery in volumes that began at the end of the first quarter of 2010 accelerated over the course of the second quarter. Buoyed by handling for new liner services in Hamburg, throughput volumes in the Container segment rose year on year by 8.9 % for the period January to June. This represents an increase of 17.8 % for the second quarter. In the Inter-



Container handling on an overseas vessel.

modal segment transport volumes grew more strongly, rising by 11.4 % for the first half-year of 2010 or 20.1 % for the second quarter. With ongoing tough competition between the ports in the North Range, HHLA Group reported a year-on-year increase in revenue for the first time since the end of 2008 at €505.1 million. Compared with the figure for the previous year (€501.0 million), which was still characterized by unusually high average revenue per container as a result of the concentration on services with greater value creation, Group revenue was up by 0.8 %. The increase was concentrated in the listed Port Logistics subgroup with its Container, Intermodal and Logistics segments as well as in Holding/Other. In the reporting period HHLA generated

97.0 % of its revenue from non-affiliated third parties in these areas. The subgroup Real Estate, with properties in the Speicherstadt historical warehouse district and Fischmarkt Hamburg-Altona GmbH in Hamburg, generated 3.0 % of revenue. At Group level, there were no currency effects or effects from changes in the group of consolidated companies that had a material impact on the result for the period.

Operating expenses increased at a much lower rate than throughput and transport volumes in the reporting period. On the basis of continuing activities, in the first six months of 2010 the total went up by 4.1 % compared with last year's considerably reduced figure.

The **cost of materials**, which is to a large extent dependent on utilization levels, went up roughly in line with volume increases by 8.5 % to €172.2 million (previous year: €158.7 million) in the first half of 2010. The cost of materials ratio in relation to revenue rose to 34.1 % (previous year: 31.7 %).

**Personnel expenses** fell 1.4 % to €153.8 million (previous year: €155.9 million) in the first six months of the financial year, largely due to the now curtailed use of short-time working hours in line with demand and the year-on-year decrease in the number of employees, though external staff deployment increased following operational requirements. In relation to revenue, the personnel expenses ratio therefore came to 30.4 % (previous year: 31.1 %).

**Other operating expenses**, consisting primarily of lease expenses for land and quay walls as well as the cost of maintenance and other services, fell compared with the same period last year by 3.1 % to €60.0 million (previous year: €62.0 million), despite maintenance expenses postponed from last year and surface repairs as a result of the hard winter.

On the basis of these developments, the HHLA Group achieved an **operating result before depreciation and amortization (EBITDA)** of €134.6 million (previous year: €143.7 million). The double-digit drop in the first quarter was thereby reduced to 6.3 % for the half-year. The EBITDA margin came to 26.7 % (previous year: 28.7 %) for the first six months of the year.



Due to one-off restructuring expenses in the previous year, **depreciation and amortization** fell year on year by 14.3 % to €53.3 million (previous year: €62.2 million). Adjusted for this non-recurring effect, depreciation and amortization rose by 3.4 % due to ongoing investment (previous year adjusted: €51.5 million).

The HHLA Group thus achieved an **operating result (EBIT)** from continuing activities of €79.4 million (previous year: €95.1 million). This represents a decline of 16.5 % as the additional volumes could not fully compensate for the earnings pressure. The EBIT margin was therefore 15.7 % (previous year: 19.1 %). The subgroups Port Logistics and Real Estate contributed 91.6 % and 8.4 % respectively to EBIT.

Though interest income decreased to €1.6 million (previous year: €3.7 million), mainly due to the low interest on the Group's credit balances and lower average credit balances, interest expenses at €20.5 million remained largely unchanged compared with the previous year (€19.6 million), despite slightly increased financial liabilities. The effective tax rate for the six-month period was 28.5 %, down from the previous year (33.5 %) mainly as a result of shifting earnings to Group companies with lower tax rates as well as the one-off effect last year. Against this background, consolidated **profit after tax and minority interests** rose year on year by 11.2 % to €28.5 million (previous year: €25.7 million). In relation to profit after tax, the proportion attributable to shareholders of the parent company also went up markedly compared with the previous year mainly due to the general recovery in volumes and the absence of the one-off expenses from 2009.

Primarily as a result of the decrease in the operating result (EBIT) from continuing activities and a further increase in operating assets, including a new quay wall posted under a finance lease, the return on capital employed (ROCE) fell to 12.3 % (previous year: 15.1 %).

## Container segment

| Key figures          |              | 1 - 6   2010 | 1 - 6   2009 | Change   |
|----------------------|--------------|--------------|--------------|----------|
| Revenue              | € million    | 281.8        | 287.7        | - 2.1 %  |
| EBITDA               | € million    | 106.9        | 116.8        | - 8.5 %  |
| EBITDA margin        | %            | 37.9         | 40.6         | - 2.7 pp |
| EBIT                 | € million    | 68.9         | 79.5         | - 13.4 % |
| EBIT margin          | %            | 24.4         | 27.6         | - 3.2 pp |
| Container throughput | thousand TEU | 2,633        | 2,419        | 8.9 %    |

Double-digit growth rates from March 2010 increased throughput volumes at the HHLA Container Terminals in Hamburg and Odessa up to 2,633 thousand standard containers (TEU) in the first half of 2010. This is 8.9 % more than in the same period of the previous year. The steep decline in feeder traffic to the Baltic seen over the course of last year has also been halted, recording substantial growth in the second quarter of 2010.

As expected, however, the distinct rise in volumes did not result in a corresponding improvement in revenue and earnings figures. One of the reasons for this was the strong decline in storage fees, resulting partly from the worldwide shortage of containers, which is currently putting pressure on the dwell time of containers left in storage. The statistical effect caused by the decline of the yield curve from a high level last year also affected the rate of change in a year-on-year comparison.



The "Christophe Colomb" arriving at Burchardkai.

The decline in revenue and earnings, which was still steep in the first quarter, was therefore reduced considerably on a half-year comparison by the strong second quarter of 2010. Revenue for the half-year of €281.8 million (previous year: €287.7 million) only fell short of last year's by 2.1 % (first quarter: - 10.5 %). EBITDA of €106.9 million (previous year: €116.8 million) was 8.5 % down on last year (first quarter: - 21.6 %). EBIT of €68.9 million (previous year: €79.5 million) was 13.4 % below last year's (first quarter: - 30.9 %). Profit margins were therefore 37.9 % for EBITDA (previous year: 40.6 %) and 24.4 % for EBIT (previous year: 27.6 %).

HHLA's strategy of extending its handling facilities for the latest generation of container ships paid off with the acquisition of a new Asia-Europe liner service from the shipping companies CMA CGM and Mærsk. In anticipation of this service, for which large vessels are to dock weekly at the HHLA Container Terminal Burchardkai from August 2010, on 13 July 2010 the "CMA CGM Christophe Colomb" docked at the mega-ship berth at Burchardkai that was largely completed in the second quarter. With a capacity of 13,880 containers it is the largest container ship ever to have docked at the Port of Hamburg to date.

## Intermodal segment

| Key figures                                  |              | 1 - 6   2010 | 1 - 6   2009 | Change   |
|--|--------------|--------------|--------------|----------|
| Revenue                                      | € million    | 148.2        | 136.4        | 8.6 %    |
| EBITDA                                       | € million    | 18.0         | 15.9         | 13.2 %   |
| EBITDA margin                                | %            | 12.1         | 11.6         | 0.5 pp   |
| EBIT   | € million    | 10.7         | - 2.2        | –        |
| EBIT margin                                  | %            | 7.2          | - 1.6        | 8.8 pp   |
| EBIT from continuing activities <sup>1</sup> | € million    | 8.7          | 11.4         | - 23.7 % |
| EBIT margin from cont. activities            | %            | 5.9          | 8.5          | - 2.6 pp |
| Container transport <sup>2</sup>             | thousand TEU | 798          | 716          | 11.4 %   |

<sup>1</sup> EBIT without one-off restructuring effects of CTL (previous year: CTL and combisped).

<sup>2</sup> Transport volume was fully consolidated.

The strong upswing in container volumes was also noticeable for the HHLA companies in the Intermodal segment. While the market remained characterized by tough competition and price pressure, transport volumes rose by 11.4 % to 798 thousand standard containers (TEU) (previous year: 716 thousand TEU). Last year's figure includes 8 thousand TEU from the discontinued Baltic feeder transport activities via the Container Terminal Lübeck, whose site was sold in the second quarter of 2010. Overall, traffic to and from the Port of Hamburg has developed very positively since the beginning of the year. To give just one example, rail cargo handling in the first half of 2010 at the HHLA Container Terminal Altenwerder even outperformed the record year of 2008 by around 10 %.

Due to the difficult environment, the positive volume trend was only partly reflected in revenue and earnings development. Segment revenue increased by 8.6 % to €148.2 million in the first half-year (previous year: €136.4 million). Including the proceeds from the appreciation in value of assets of container gantry cranes in Lübeck (€2.0 million), EBITDA rose by 13.2 % to €18.0 million. Including neither these proceeds nor last year's restructuring expenses, however, EBIT from continuing activities declined by 23.7 % to €8.7 million. Here too, developments nevertheless stabilized over the course of the half-year – at the end of the first quarter of 2010 the decrease in EBIT had reached 33.1 %.

In order to expand its successful business model for maritime logistics to the European hinterland, HHLA continued to develop its intermodal activities in the first half of the year: in late June 2010 a new hinterland terminal was inaugurated in Katowice, with others to follow. Previous to this, HHLA had formed two joint ventures. The HHLA subsidiary CTD and the Bremen-based transport company EKB intend to build a comprehensive network of delivery services for the “last mile” between the hinterland terminal and the customer. The IPN Inland Port Network established by HHLA and Eurogate in March 2010 is preparing to roll out a network of inland terminals for maritime container traffic in Germany.



Opening of the Katowice terminal on 30 June 2010.

## Logistics segment

| Key figures   |           | 1 - 6   2010 | 1 - 6   2009 | Change   |
|---------------|-----------|--------------|--------------|----------|
| Revenue       | € million | 60.3         | 56.6         | 6.5 %    |
| EBITDA        | € million | 7.1          | 6.4          | 12.0 %   |
| EBITDA margin | %         | 11.8         | 11.2         | 0.6 pp   |
| EBIT          | € million | 3.6          | 3.6          | - 1.2 %  |
| EBIT margin   | %         | 5.9          | 6.4          | - 0.5 pp |

Over the course of the first half-year the tangible economic recovery was sustained, in particular for those activities in the Logistics segment that are heavily exposed to economic cycles. Bulk cargo and vehicle logistics both reported considerable increases in volumes, revenue and earnings. The cruise business also picked up significantly. Fruit logistics on the other hand fell below last year's level due to lower volumes resulting from a change in ship scheduling by one company. The tense situation in orders for Terminal IT had an impact on revenue and earnings in the consulting business. By contrast, contract logistics continued its stabilization course at a low level.

These different trends over the first half-year added up to a revenue increase of 6.5 % to €60.3 million (previous year: €56.6 million). The upturn was reflected in EBITDA growth of 12.0 % to €7.1 million (previous year: €6.4 million). Although EBIT fell year on year by 17.1 % in the first quarter due to higher depreciation and amortization, in the second quarter strong earnings improvement led to a decline of only 1.2 % in half-yearly comparison at €3.6 million, which is nearly at last year's level (€3.6 million).



Boom in vehicle logistics: car transporter at the O'Swaldkai terminal.

While fruit logistics at the multi-function terminal O'Swaldkai again missed last year's mark of 536 thousand tons considerably at 402 thousand tons, vehicle and project logistics was able to increase its seaborne handling at this terminal to 625 thousand tons. This not only beat last year's figure of 579 thousand tons, but also the result for the first half of 2008 (588 thousand tons). Vehicle throughput of 76,222 units accounted for the largest share

of the increase, up 58 % on the same period last year. Frequencies for the successful Mediterranean service Euro Aegean (see picture) were therefore increased again as of the end of the second quarter of 2010. Developments in cruise ship handling were also gratifying: 57 ships docked in Hamburg in the first half-year – 20 more than in the same period of the previous year.

The bulk cargo terminal Hansaport started the first half of 2010 with a leap of 69 % to 6,655 thousand tons of ore and coal (previous year: 3,938 thousand tons). This is primarily due to a strong revival in ore volumes, which had collapsed substantially in the same period last year as a result of the crisis in the steel industry, before picking up again over the second half of 2009.

## Real Estate segment

| Key figures   |           | 1 - 6   2010 | 1 - 6   2009 | Change |
|---------------|-----------|--------------|--------------|--------|
| Revenue       | € million | 16.6         | 16.6         | 0.1 %  |
| EBITDA        | € million | 8.8          | 8.6          | 2.1 %  |
| EBITDA margin | %         | 52.8         | 51.7         | 1.1 pp |
| EBIT          | € million | 6.7          | 6.5          | 2.6 %  |
| EBIT margin   | %         | 40.4         | 39.4         | 1.0 pp |

The general economic upswing has not yet had an impact on the market for office space rentals in Hamburg. According to the overview from Jones Lang LaSalle, new leases of office space in Hamburg were stagnant at 185,000 square metres for the first half of both 2009 and 2010, with a slight decline in prime rates. The amount of vacant space rose to more than 1.3 million square metres, not least due to considerable new building activity, producing a vacancy rate of 9.3 % (previous year: 7.6 %).

Given this still difficult market environment the HHLA properties in the Speicherstadt historical warehouse district and in the Fischmarkt area on the northern bank of the Elbe held their ground well. Revenue was unchanged at € 16.6 million, while earnings improved thanks above all to new leases for properties in the historical warehouse district. Overall, EBITDA rose by 2.1 % to € 8.8 million (previous year: € 8.6 million). EBIT climbed 2.6 % in comparison to last year to € 6.7 million (previous year: € 6.5 million). The Real Estate subgroup demonstrated its profitability in a direct sector comparison with improved profit margins of 52.8 % (EBITDA) and 40.4 % (EBIT).

The decision by a fashion house to locate in the Speicherstadt historical warehouse district as well as the completion of an architecture competition for the “Areal West” section of the northern bank of the Elbe are representative of the continued success of development strategies for both districts. In the second quarter a heavyweight in the German fashion industry voted in favour of the Speicherstadt, securing office and presentation space in Block Q. A total of around 6,000 square metres of attractive multi-functional commercial space is currently under development here. With 45 tenants and over 125 labels and brands, the Speicherstadt historical warehouse district is now one of the most vibrant fashion centres in north Germany.

At the end of June 2010 the completion of the architecture competition to set the final stone in the “Perlenkette” along the northern bank of the Elbe means that all the conditions for realizing this major new construction project have now been met. From 2012 to 2016 a mix of residential, commercial and fine-dining properties are to be built here, for an investment of between € 55 and € 60 million. The results of the competition have already been very well received in the press. The *Hamburger Abendblatt* wrote, “Hamburg could hardly wish for a more flattering adornment than this ‘Perlenkette’.”



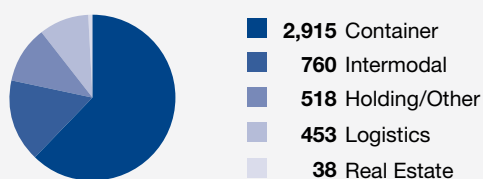
“Perlenkette” along the Elbe: the design for the crowning piece.

## Employees

The number of employees at HHLA Group has declined by 76 (or by 1.6 %) from 4,760 to currently 4,684 since the beginning of the 2010 financial year. Year on year, this represents a decline of 175 or 3.7 %. Adjusted for the activities in Lübeck discontinued in 2009, the decline is 2.9 %.

### HHLA Group employees

AS OF 30.06. 2010



The measures drawn up to secure employment at the sites in Hamburg as part of the “Securing the Future” project were successfully implemented in the first half of 2010. These focused on the flexible and demand-oriented use of a short-time labour scheme, in combination with customized qualification programmes.

## Financial position

### Cash flow statement

IN € MILLION

|   | 1 - 6   2010 | 1 - 6   2009 |
|---|--------------|--------------|
| Cash and cash equivalents on 01.01.                       | 179.2        | 231.2        |
| Cash flow from operating activities                       | 93.6         | 92.9         |
| Cash flow from investing activities                       | - 30.4       | - 97.1       |
| Free cash flow  | 63.2         | - 4.2        |
| Cash flow from financing activities                       | - 75.8       | - 98.6       |
| Cash change in cash and cash equivalents                  | - 12.6       | - 102.8      |
| Change in cash and cash equivalents due to exchange rates | - 2.3        | 0.2          |
| Cash and cash equivalents on 30.06.                       | 164.3        | 128.6        |

Stable earnings development at the HHLA Group meant that cash inflow from operating activities was more or less unchanged in the period from January to June 2010 at €93.6 million (previous year: €92.9 million). Cash outflow for investing activities came to €30.4 million in the reporting period and was therefore well below last year's figure of €97.1 million, as ongoing payments for property, plant and equipment were reduced considerably.

Lower capital expenditure resulted in significantly higher free cash flow than last year at €63.2 million, comprising the total cash flow from operating and investing activities. Although no borrowing took place in the first half of 2010, in contrast to the same period in 2009, cash flow from financing activities consisted of a lower net cash outflow of €75.8 million (previous year: €98.6 million), largely as a result of the lower dividend payment.

Financial funds, made up of cash and cash equivalents (€144.1 million) and cash pooling (€21.8 million), netted with other financial liabilities (€1.6 million), amounted to €164.3 million as of 30 June 2010 and were therefore lower than the opening balance for the year (€179.2 million).



## INVESTMENTS

The investment volume in the reporting period totalled €65.9 million, which is substantially below the previous year's level of €102.4 million. Investment continued at a reduced rate in the first half of 2010 due to extensions to the timeframe for certain projects, concentrating in the second quarter primarily on the Container and Intermodal segments. Completed projects included the quay wall for a new mega-ship berth at the HHLA Container Terminal Burchardkai, which was leased from the related party Hamburg Port Authority. This new asset cost €30.4 million, but as the underlying agreement has been classified as a finance lease the amount is not recognized as a direct cash expense. Investment volumes are still not expected to be equally distributed during the financial year 2010 due to completion dates being planned for subsequent periods.

## Balance sheet

IN € MILLION

| ASSETS                        | 30.06.2010     | 31.12.2009     | 30.06.2009     |
|-------------------------------|----------------|----------------|----------------|
| Non-current assets            | 1,245.9        | 1,224.9        | 1,202.5        |
| Current assets                | 375.2          | 365.6          | 345.0          |
|                               | <b>1,621.1</b> | <b>1,590.5</b> | <b>1,547.5</b> |
| <b>EQUITY AND LIABILITIES</b> |                |                |                |
| Equity                        | 632.3          | 637.0          | 624.8          |
| Non-current liabilities       | 726.8          | 710.6          | 647.8          |
| Current liabilities           | 262.0          | 242.9          | 274.9          |
|                               | <b>1,621.1</b> | <b>1,590.5</b> | <b>1,547.5</b> |

Compared with the end of 2009, the HHLA Group's balance sheet total increased as of 30 June 2010 by a total of €30.6 million to €1,621.1 million.

Non-current assets, at €1,245.9 million, were higher than the comparable figure from 31 December 2009 (€1,224.9 million). The reason for the change was the recognition of a new mega-ship berth besides the ongoing depreciation of property, plant and equipment.

The increase in current assets by €9.6 million to €375.2 million as of 30 June 2010 stemmed largely from higher receivables from related parties, in turn due to a higher cash-pool balance with HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH and an increase of €13.1 million in trade receivables. By contrast, cash and cash equivalents were €29.5 million lower, principally as a result of the dividend payment made on 17 June 2010.

Shareholders' equity came to €632.3 million as of the reporting date, virtually unchanged from year-end 2009. The dividend distribution was largely compensated for by profit after tax for the reporting period. The equity ratio as of the reporting date was 39.0 % (as of 31 December 2009: 40.0 %).

At €726.8 million, non-current liabilities were higher than the comparable figure from year-end 2009 (€710.6 million). The increase resulted principally from the recognition of the leasing liability in connection with the mega-ship berth at the HHLA Container Terminal Burchardkai. Current liabilities of €262.0 million (as of 31 December 2009: €242.9 million) rose largely due to higher trade liabilities as well as deferred expenses under other financial liabilities.



## **Transactions with respect to related parties**

There are various contracts between the Free and Hanseatic City of Hamburg and 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. In addition, 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 2009.

## **Events after the balance sheet date**

There were no transactions of special significance after the balance sheet date of 30 June 2010.

## **Risk and opportunity report**

HHLA's business activities remain dependent on a recovery in demand for throughput and transportation. Furthermore, HHLA is still exposed to the risk of an underutilization of capacities in the North Range. This may result in a further increase in pricing pressure.

With regard to the HHLA Group's risk position, the statements in the management report section of the 2009 annual report apply, unless otherwise indicated in this report. There, the risk factors associated with the HHLA Group's business activities are described in the chapter "Risk and opportunity report". Any new potential opportunities which arose in the past quarter have been described in the "Business forecast" of this report.

## Business forecast

### MACROECONOMIC ENVIRONMENT

Now that most of the global leading indicators have reached their upper turning point, the growth dynamic of the economy will likely decelerate over the course of the second half of 2010. Nevertheless, due to the surprisingly strong recovery in the first half of the year, the forecasts for the development of the world economy in 2010 have improved overall in recent months. The International Monetary Fund (IMF) recently revised its growth forecast for global gross domestic product (GDP) for 2010 to nearly 5 % and estimates that global trade could increase by 9 %. Even if another recession is unlikely, high public indebtedness in many countries and the persistently frail state of the banking sector still hold the risk of relapse.

In the middle of the year it is clear that the economic regions which have a significant impact on HHLA's business development will experience varying levels of economic recovery. The IMF forecasts that the emerging economies of Asia will grow by slightly more than 9 % in 2010, a strong rate, with Chinese GDP even growing by more than 10 %. Key countries in the region have recently begun to tighten their fiscal and monetary policies in order to prevent the economy overheating and to avert speculative bubbles. A slower economic revival is predicted for the Central and Eastern European economies, however, with an increase in GDP of around 4 % for 2010.

Economic growth in industrialized countries is forecast to be even slightly weaker at around 3 % as stimulus measures begin to be wound down and the inventory cycle returns to normal. In the eurozone the crisis of confidence on financial markets that is forcing individual member states to consolidate their budgets, sometimes drastically, is expected to burden the economy. Here, the IMF does not expect GDP to rise by more than 1 %, although Germany may do somewhat better thanks to greater impetus from exports.

These more positive economic developments have since led market research institutes like Drewry and Clarkson to predict higher growth rates in global container traffic. According to current estimates just around 9 % more containers will be handled in 2010 than in the previous year. For European ports, experts are expecting the recovery to remain slightly below global volume growth this year, which will as a result retain overcapacities. This means that surplus transport capacity is likely in combined hinterland rail traffic as well. The market will therefore generally remain subject to intense price competition for the remainder of 2010.

### OUTLOOK 2010

Assuming the economic dynamic does not weaken substantially in the second half of the year, HHLA now expects year-on-year volume growth of more than 10 %. Because of the intense price competition and a shift in the handling mix between feeder and overseas services, the positive scale effects are, however, not expected to have a similarly significant effect on revenue. The delayed plan approval process for dredging the Elbe waterway, especially with the number of large ships rising, is a particular burden for the location Hamburg. Despite these challenges, HHLA is striving for Group revenue in 2010 above previous year, in the region of €1 billion.

By maintaining strict cost management the aim is also to achieve an EBIT margin of at least 15 %. In addition to the ongoing pressure on yields, improved earnings are also needed

to make up for increasing maintenance expenses as a result of postponed service and repair as well as a higher depreciation charge for additional assets. Meanwhile the results of the planned reorganization of structures and processes at the CTB are still pending. This fact, together with the general limitation on predicting future throughput and transport volumes beyond a few weeks, can cause considerable fluctuations in planning company profit. From a current perspective it can nevertheless be expected that the relative interest of minority shareholders in the profit after taxes will not increase to above last year's level and that the proportion available to shareholders of the parent company will therefore at least remain stable. HHLA will continue to make crucial investments in 2010 to secure its long-term prospects. Although delayed expenses from the two previous years must be taken into consideration, continued adjustment measures are intended to limit total investment to no more than €180 million in 2010. Around €60 million is expected to be accounted for under finance leases for new quay walls and thus will not result in immediate cash outflows, but rather be spread over the useful life of the assets.

Based on current estimates, a substantial increase in throughput is forecast for the **Container segment**. This should lead to a higher revenue compared to last year, but the EBIT margin will suffer from lower average yields. Greater demand for hinterland transport is also expected in the **Intermodal segment**. In a highly competitive environment HHLA therefore anticipates a modest rise in revenue from continuing activities, though with lower margins. For the **Logistics segment**, HHLA is expecting a restrained course of business on the basis of differentiated developments in specific market segments. Overall, HHLA expects this segment to make a contribution in the region of the previous year's revenue, while the result will be impacted by additional depreciation and amortization and general pressure on margins. In the **Real Estate segment**, demand for office and commercial space in the prominent locations of the Speicherstadt historical warehouse district and the northern bank of the river Elbe is expected to be somewhat lower. Thanks to a high occupancy rate and existing lease agreements, it can be assumed that the revenue and results trend in 2010 will be at the previous year's level.

# INTERIM FINANCIAL STATEMENTS

## Income statement HHLA Group

IN € THOUSAND

|   | 1 - 6   2010   | 1 - 6   2009   | 4 - 6   2010  | 4 - 6   2009  |
|---|----------------|----------------|---------------|---------------|
| Revenue   | 505,098        | 500,980        | 266,573       | 244,501       |
| Changes in inventories  | - 464          | - 375          | - 1,145       | - 1,452       |
| Own work capitalized  | 2,964          | 4,943          | 1,508         | 2,704         |
| Other operating income  | 13,067         | 14,767         | 7,708         | 6,906         |
| Cost of materials   | - 172,195      | - 158,695      | - 91,808      | - 77,203      |
| Personnel expenses  | - 153,779      | - 155,920      | - 78,038      | - 78,562      |
| Other operating expenses  | - 60,043       | - 61,988       | - 31,489      | - 29,433      |
| <b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>          | <b>134,648</b> | <b>143,712</b> | <b>73,309</b> | <b>67,461</b> |
| Depreciation and amortization   | - 53,268       | - 62,184       | - 27,322      | - 36,908      |
| <b>Earnings before interest and taxes (EBIT)</b>  | <b>81,380</b>  | <b>81,528</b>  | <b>45,987</b> | <b>30,553</b> |
| Earnings from associates accounted for using the equity method                          | 47             | 39             | 52            | - 19          |
| Interest income   | 1,627          | 3,669          | 959           | 1,515         |
| Interest expenses   | - 20,478       | - 19,572       | - 10,166      | - 9,091       |
| Other financial result  | 174            | 100            | 174           | 100           |
| <b>Earnings before tax (EBT)</b>  | <b>62,750</b>  | <b>65,764</b>  | <b>37,006</b> | <b>23,058</b> |
| Income tax  | - 17,873       | - 22,056       | - 10,811      | - 8,824       |
| <b>Profit after tax</b>   | <b>44,877</b>  | <b>43,708</b>  | <b>26,195</b> | <b>14,234</b> |
| - of which share of profit after tax attributable to minority interests                 | 16,334         | 18,034         | 8,822         | 8,536         |
| - of which share of profit after tax attributable to shareholders of the parent company | 28,543         | 25,674         | 17,373        | 5,698         |
| <b>Earnings per share, basic (in €)</b>   |                |                |               |               |
| - Group   | 0.39           | 0.35           | 0.24          | 0.08          |
| - Port Logistics  | 0.36           | 0.33           | 0.23          | 0.06          |
| - Real Estate   | 1.15           | 1.05           | 0.55          | 0.56          |
| <b>Earnings per share, diluted (in €)</b>   |                |                |               |               |
| - Group   | 0.39           | 0.35           | 0.24          | 0.08          |
| - Port Logistics  | 0.36           | 0.33           | 0.23          | 0.06          |
| - Real Estate   | 1.15           | 1.05           | 0.55          | 0.56          |

## Statement of comprehensive income HHLA Group

IN € THOUSAND

|   | 1 - 6   2010  | 1 - 6   2009  | 4 - 6   2010  | 4 - 6   2009  |
|---|---------------|---------------|---------------|---------------|
| <b>Profit after tax</b>                                       | <b>44,877</b> | <b>43,708</b> | <b>26,195</b> | <b>14,234</b> |
| Actuarial gains/losses  | 391           | 20,204        | 391           | 20,204        |
| Cash flow hedges  | - 784         | - 866         | - 247         | 335           |
| Translation differences                                       | 8,355         | - 567         | 4,903         | - 2,421       |
| Deferred taxes on changes recognized directly in equity       | 88            | - 6,249       | - 48          | - 6,631       |
| Other   | - 53          | - 11          | - 68          | - 11          |
| <b>Income and expense recognized directly in equity</b>       | <b>7,997</b>  | <b>12,511</b> | <b>4,931</b>  | <b>11,476</b> |
| <b>Total comprehensive income</b>                             | <b>52,874</b> | <b>56,219</b> | <b>31,126</b> | <b>25,710</b> |
| - of which attributable to other shareholders                 | 16,304        | 17,878        | 8,716         | 8,702         |
| - of which attributable to shareholders of the parent company | 36,570        | 38,341        | 22,410        | 17,008        |

## Income statement HHLA subgroups

IN € THOUSAND; PORT LOGISTICS SUBGROUP AND REAL ESTATE SUBGROUP; ANNEX TO THE CONDENSED NOTES

|   | 1 - 6   2010<br>Group | 1 - 6   2010<br>Port Logistics | 1 - 6   2010<br>Real Estate | 1 - 6   2010<br>Consolidation |
|---|-----------------------|--------------------------------|-----------------------------|-------------------------------|
| Revenue   | 505,098               | 490,720                        | 16,606                      | - 2,228                       |
| Changes in inventories  | - 464                 | - 439                          | - 25                        | 0                             |
| Own work capitalized  | 2,964                 | 2,964                          | 0                           | 0                             |
| Other operating income  | 13,067                | 12,978                         | 513                         | - 424                         |
| Cost of materials   | - 172,195             | - 169,519                      | - 2,684                     | 8                             |
| Personnel expenses  | - 153,779             | - 152,570                      | - 1,209                     | 0                             |
| Other operating expenses  | - 60,043              | - 58,252                       | - 4,435                     | 2,644                         |
| <b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>          | <b>134,648</b>        | <b>125,882</b>                 | <b>8,766</b>                | <b>0</b>                      |
| Depreciation and amortization   | - 53,268              | - 51,371                       | - 2,050                     | 153                           |
| <b>Earnings before interest and taxes (EBIT)</b>  | <b>81,380</b>         | <b>74,511</b>                  | <b>6,716</b>                | <b>153</b>                    |
| Earnings from associates accounted for using the equity method                          | 47                    | 47                             | 0                           | 0                             |
| Interest income   | 1,627                 | 1,555                          | 140                         | - 68                          |
| Interest expenses   | - 20,478              | - 17,988                       | - 2,558                     | 68                            |
| Other financial result  | 174                   | 174                            | 0                           | 0                             |
| <b>Earnings before tax (EBT)</b>  | <b>62,750</b>         | <b>58,299</b>                  | <b>4,298</b>                | <b>153</b>                    |
| Income tax  | - 17,873              | - 16,524                       | - 1,325                     | - 24                          |
| <b>Profit after tax</b>   | <b>44,877</b>         | <b>41,775</b>                  | <b>2,973</b>                | <b>129</b>                    |
| - of which share of profit after tax attributable to minority interests                 | 16,334                | 16,334                         | 0                           | 0                             |
| - of which share of profit after tax attributable to shareholders of the parent company | 28,543                | 25,441                         | 2,973                       | 129                           |
| <b>Earnings per share, basic (in €)</b>   | <b>0.39</b>           | <b>0.36</b>                    | <b>1.15</b>                 |                               |
| <b>Earnings per share, diluted (in €)</b>   | <b>0.39</b>           | <b>0.36</b>                    | <b>1.15</b>                 |                               |

## Statement of comprehensive income HHLA subgroups

IN € THOUSAND; PORT LOGISTICS SUBGROUP AND REAL ESTATE SUBGROUP; ANNEX TO THE CONDENSED NOTES

|   | 1 - 6   2010<br>Group | 1 - 6   2010<br>Port Logistics | 1 - 6   2010<br>Real Estate | 1 - 6   2010<br>Consolidation |
|---|-----------------------|--------------------------------|-----------------------------|-------------------------------|
| <b>Profit after tax</b>                                       | <b>44,877</b>         | <b>41,775</b>                  | <b>2,973</b>                | <b>129</b>                    |
| Actuarial gains/losses  | 391                   | 315                            | 76                          |                               |
| Cash flow hedges  | - 784                 | - 784                          | 0                           |                               |
| Translation differences                                       | 8,355                 | 8,355                          | 0                           |                               |
| Deferred taxes on changes recognized directly in equity       | 88                    | 113                            | - 25                        |                               |
| Other   | - 53                  | - 53                           | 0                           |                               |
| <b>Income and expense recognized directly in equity</b>       | <b>7,997</b>          | <b>7,946</b>                   | <b>51</b>                   | <b>0</b>                      |
| <b>Total comprehensive income</b>                             | <b>52,874</b>         | <b>49,721</b>                  | <b>3,024</b>                | <b>129</b>                    |
| - of which attributable to other shareholders                 | 16,304                | 16,304                         | 0                           |                               |
| - of which attributable to shareholders of the parent company | 36,570                | 33,417                         | 3,153                       |                               |

## Income statement HHLA subgroups

IN € THOUSAND; PORT LOGISTICS SUBGROUP AND REAL ESTATE SUBGROUP; ANNEX TO THE CONDENSED NOTES

|   | 1 - 6   2009<br>Group | 1 - 6   2009<br>Port Logistics | 1 - 6   2009<br>Real Estate | 1 - 6   2009<br>Consolidation |
|---|-----------------------|--------------------------------|-----------------------------|-------------------------------|
| Revenue   | 500,980               | 486,830                        | 16,591                      | - 2,441                       |
| Changes in inventories  | - 375                 | - 376                          | 1                           | 0                             |
| Own work capitalized  | 4,943                 | 4,943                          | 0                           | 0                             |
| Other operating income  | 14,767                | 14,513                         | 433                         | - 179                         |
| Cost of materials   | - 158,695             | - 156,158                      | - 2,560                     | 23                            |
| Personnel expenses  | - 155,920             | - 154,688                      | - 1,232                     | 0                             |
| Other operating expenses  | - 61,988              | - 59,861                       | - 4,649                     | 2,523                         |
| <b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>          | <b>143,712</b>        | <b>135,203</b>                 | <b>8,584</b>                | <b>- 74</b>                   |
| Depreciation and amortization   | - 62,184              | - 60,292                       | - 2,040                     | 148                           |
| <b>Earnings before interest and taxes (EBIT)</b>  | <b>81,528</b>         | <b>74,911</b>                  | <b>6,544</b>                | <b>74</b>                     |
| Earnings from associates accounted for using the equity method                          | 39                    | 39                             | 0                           | 0                             |
| Interest income   | 3,669                 | 3,619                          | 50                          | 0                             |
| Interest expenses   | - 19,572              | - 17,011                       | - 2,636                     | 74                            |
| Other financial result  | 100                   | 100                            | 0                           | 0                             |
| <b>Earnings before tax (EBT)</b>  | <b>65,764</b>         | <b>61,658</b>                  | <b>3,958</b>                | <b>148</b>                    |
| Income tax  | - 22,056              | - 20,779                       | - 1,253                     | - 23                          |
| <b>Profit after tax</b>   | <b>43,708</b>         | <b>40,879</b>                  | <b>2,705</b>                | <b>125</b>                    |
| - of which share of profit after tax attributable to minority interests                 | 18,034                | 18,034                         | 0                           | 0                             |
| - of which share of profit after tax attributable to shareholders of the parent company | 25,674                | 22,845                         | 2,705                       | 125                           |
| <b>Earnings per share, basic (in €)</b>   | <b>0.35</b>           | <b>0.33</b>                    | <b>1.05</b>                 |                               |
| <b>Earnings per share, diluted (in €)</b>   | <b>0.35</b>           | <b>0.33</b>                    | <b>1.05</b>                 |                               |

## Statement of comprehensive income HHLA subgroups

IN € THOUSAND; PORT LOGISTICS SUBGROUP AND REAL ESTATE SUBGROUP; ANNEX TO THE CONDENSED NOTES

|   | 1 - 6   2009<br>Group | 1 - 6   2009<br>Port Logistics | 1 - 6   2009<br>Real Estate | 1 - 6   2009<br>Consolidation |
|---|-----------------------|--------------------------------|-----------------------------|-------------------------------|
| <b>Profit after tax</b>                                       | <b>43,708</b>         | <b>40,879</b>                  | <b>2,705</b>                | <b>125</b>                    |
| Actuarial gains/losses  | 20,204                | 19,679                         | 525                         |                               |
| Cash flow hedges  | - 866                 | - 866                          | 0                           |                               |
| Translation differences                                       | - 567                 | - 567                          | 0                           |                               |
| Deferred taxes on changes recognized directly in equity       | - 6,249               | - 6,080                        | - 169                       |                               |
| Other   | - 11                  | - 11                           | 0                           |                               |
| <b>Income and expense recognized directly in equity</b>       | <b>12,511</b>         | <b>12,155</b>                  | <b>356</b>                  | <b>0</b>                      |
| <b>Total comprehensive income</b>                             | <b>56,219</b>         | <b>53,034</b>                  | <b>3,061</b>                | <b>125</b>                    |
| - of which attributable to other shareholders                 | 17,878                | 17,878                         | 0                           |                               |
| - of which attributable to shareholders of the parent company | 38,341                | 35,156                         | 3,185                       |                               |

## Income statement HHLA subgroups

IN € THOUSAND; PORT LOGISTICS SUBGROUP AND REAL ESTATE SUBGROUP; ANNEX TO THE CONDENSED NOTES

|   | 4 - 6   2010<br>Group | 4 - 6   2010<br>Port Logistics | 4 - 6   2010<br>Real Estate | 4 - 6   2010<br>Consolidation |
|---|-----------------------|--------------------------------|-----------------------------|-------------------------------|
| Revenue   | 266,573               | 259,377                        | 8,210                       | - 1,014                       |
| Changes in inventories  | - 1,145               | - 1,146                        | 1                           | 0                             |
| Own work capitalized  | 1,508                 | 1,512                          | 0                           | - 4                           |
| Other operating income  | 7,708                 | 7,667                          | 293                         | - 252                         |
| Cost of materials   | - 91,808              | - 90,466                       | - 1,335                     | - 7                           |
| Personnel expenses  | - 78,038              | - 77,425                       | - 613                       | 0                             |
| Other operating expenses  | - 31,489              | - 30,538                       | - 2,228                     | 1,277                         |
| <b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>          | <b>73,309</b>         | <b>68,981</b>                  | <b>4,328</b>                | <b>0</b>                      |
| Depreciation and amortization   | - 27,322              | - 26,374                       | - 1,024                     | 76                            |
| <b>Earnings before interest and taxes (EBIT)</b>  | <b>45,987</b>         | <b>42,607</b>                  | <b>3,304</b>                | <b>76</b>                     |
| Earnings from associates accounted for using the equity method                          | 52                    | 52                             | 0                           | 0                             |
| Interest income   | 959                   | 942                            | 51                          | - 34                          |
| Interest expenses   | - 10,166              | - 8,928                        | - 1,272                     | 34                            |
| Other financial result  | 174                   | 174                            | 0                           | 0                             |
| <b>Earnings before tax (EBT)</b>  | <b>37,006</b>         | <b>34,847</b>                  | <b>2,083</b>                | <b>76</b>                     |
| Income tax  | - 10,811              | - 10,140                       | - 659                       | - 12                          |
| <b>Profit after tax</b>   | <b>26,195</b>         | <b>24,707</b>                  | <b>1,424</b>                | <b>64</b>                     |
| - of which share of profit after tax attributable to minority interests                 | 8,822                 | 8,822                          | 0                           | 0                             |
| - of which share of profit after tax attributable to shareholders of the parent company | 17,373                | 15,885                         | 1,424                       | 64                            |
| <b>Earnings per share, basic (in €)</b>   | <b>0.24</b>           | <b>0.23</b>                    | <b>0.55</b>                 |                               |
| <b>Earnings per share, diluted (in €)</b>   | <b>0.24</b>           | <b>0.23</b>                    | <b>0.55</b>                 |                               |

## Statement of comprehensive income HHLA subgroups

IN € THOUSAND; PORT LOGISTICS SUBGROUP AND REAL ESTATE SUBGROUP; ANNEX TO THE CONDENSED NOTES

|   | 4 - 6   2010<br>Group | 4 - 6   2010<br>Port Logistics | 4 - 6   2010<br>Real Estate | 4 - 6   2010<br>Consolidation |
|---|-----------------------|--------------------------------|-----------------------------|-------------------------------|
| <b>Profit after tax</b>                                       | <b>26,195</b>         | <b>24,707</b>                  | <b>1,424</b>                | <b>64</b>                     |
| Actuarial gains/losses  | 391                   | 315                            | 76                          |                               |
| Cash flow hedges  | - 247                 | - 247                          | 0                           |                               |
| Translation differences                                       | 4,903                 | 4,903                          | 0                           |                               |
| Deferred taxes on changes recognized directly in equity       | - 48                  | - 23                           | - 25                        |                               |
| Other   | - 68                  | - 68                           | 0                           |                               |
| <b>Income and expense recognized directly in equity</b>       | <b>4,931</b>          | <b>4,880</b>                   | <b>51</b>                   | <b>0</b>                      |
| <b>Total comprehensive income</b>                             | <b>31,126</b>         | <b>29,587</b>                  | <b>1,475</b>                | <b>64</b>                     |
| - of which attributable to other shareholders                 | 8,716                 | 8,716                          | 0                           |                               |
| - of which attributable to shareholders of the parent company | 22,410                | 20,871                         | 1,539                       |                               |



## Income statement HHLA subgroups

IN € THOUSAND; PORT LOGISTICS SUBGROUP AND REAL ESTATE SUBGROUP; ANNEX TO THE CONDENSED NOTES

|   | 4 - 6   2009<br>Group | 4 - 6   2009<br>Port Logistics | 4 - 6   2009<br>Real Estate | 4 - 6   2009<br>Consolidation |
|---|-----------------------|--------------------------------|-----------------------------|-------------------------------|
| Revenue   | 244,501               | 237,413                        | 8,387                       | - 1,299                       |
| Changes in inventories  | - 1,452               | - 1,449                        | - 3                         | 0                             |
| Own work capitalized  | 2,704                 | 2,704                          | 0                           | 0                             |
| Other operating income  | 6,906                 | 6,645                          | 276                         | - 15                          |
| Cost of materials   | - 77,203              | - 76,052                       | - 1,166                     | 15                            |
| Personnel expenses  | - 78,562              | - 77,955                       | - 607                       | 0                             |
| Other operating expenses  | - 29,433              | - 28,248                       | - 2,435                     | 1,250                         |
| <b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>          | <b>67,461</b>         | <b>63,058</b>                  | <b>4,452</b>                | <b>- 49</b>                   |
| Depreciation and amortization   | - 36,908              | - 35,958                       | - 1,024                     | 74                            |
| <b>Earnings before interest and taxes (EBIT)</b>  | <b>30,553</b>         | <b>27,100</b>                  | <b>3,428</b>                | <b>25</b>                     |
| Earnings from associates accounted for using the equity method                          | - 19                  | - 19                           | 0                           | 0                             |
| Interest income   | 1,515                 | 1,491                          | 24                          | 0                             |
| Interest expenses   | - 9,091               | - 7,814                        | - 1,326                     | 49                            |
| Other financial result  | 100                   | 100                            | 0                           | 0                             |
| <b>Earnings before tax (EBT)</b>  | <b>23,058</b>         | <b>20,858</b>                  | <b>2,126</b>                | <b>74</b>                     |
| Income tax  | - 8,824               | - 8,146                        | - 666                       | - 11                          |
| <b>Profit after tax</b>   | <b>14,234</b>         | <b>12,712</b>                  | <b>1,460</b>                | <b>63</b>                     |
| - of which share of profit after tax attributable to minority interests                 | 8,536                 | 8,536                          | 0                           | 0                             |
| - of which share of profit after tax attributable to shareholders of the parent company | 5,698                 | 4,176                          | 1,460                       | 63                            |
| <b>Earnings per share, basic (in €)</b>   | <b>0.08</b>           | <b>0.06</b>                    | <b>0.56</b>                 |                               |
| <b>Earnings per share, diluted (in €)</b>   | <b>0.08</b>           | <b>0.06</b>                    | <b>0.56</b>                 |                               |

## Statement of comprehensive income HHLA subgroups

IN € THOUSAND; PORT LOGISTICS SUBGROUP AND REAL ESTATE SUBGROUP; ANNEX TO THE CONDENSED NOTES

|   | 4 - 6   2009<br>Group | 4 - 6   2009<br>Port Logistics | 4 - 6   2009<br>Real Estate | 4 - 6   2009<br>Consolidation |
|---|-----------------------|--------------------------------|-----------------------------|-------------------------------|
| <b>Profit after tax</b>                                       | <b>14,234</b>         | <b>12,712</b>                  | <b>1,460</b>                | <b>63</b>                     |
| Actuarial gains/losses  | 20,204                | 19,679                         | 525                         |                               |
| Cash flow hedges  | 335                   | 335                            | 0                           |                               |
| Translation differences                                       | - 2,421               | - 2,421                        | 0                           |                               |
| Deferred taxes on changes recognized directly in equity       | - 6,631               | - 6,462                        | - 169                       |                               |
| Other   | - 11                  | - 11                           | 0                           |                               |
| <b>Income and expense recognized directly in equity</b>       | <b>11,476</b>         | <b>11,120</b>                  | <b>356</b>                  | <b>0</b>                      |
| <b>Total comprehensive income</b>                             | <b>25,710</b>         | <b>23,832</b>                  | <b>1,816</b>                | <b>63</b>                     |
| - of which attributable to other shareholders                 | 8,702                 | 8,702                          | 0                           |                               |
| - of which attributable to shareholders of the parent company | 17,008                | 15,130                         | 1,816                       |                               |

## Balance sheet HHLA Group

IN € THOUSAND

|  | 30.06.2010       | 31.12.2009       |
|--|------------------|------------------|
| <b>ASSETS</b>                                    |                  |                  |
| <b>Non-current assets</b>                        |                  |                  |
| Intangible assets                                | 83,868           | 82,334           |
| Property, plant and equipment                    | 933,232          | 916,772          |
| Investment property                              | 185,236          | 186,471          |
| Associates accounted for using the equity method | 1,459            | 1,487            |
| Financial assets                                 | 9,746            | 8,062            |
| Deferred taxes                                   | 32,329           | 29,812           |
|  | <b>1,245,870</b> | <b>1,224,938</b> |
| <b>Current assets</b>                            |                  |                  |
| Inventories                                      | 21,081           | 20,379           |
| Trade receivables                                | 134,813          | 121,731          |
| Receivables from related parties                 | 26,603           | 6,660            |
| Other financial receivables                      | 1,482            | 2,356            |
| Other assets                                     | 18,372           | 12,292           |
| Income tax receivables                           | 26,788           | 23,412           |
| Cash and cash equivalents                        | 144,065          | 173,531          |
| Non-current assets held for sale                 | 2,000            | 5,200            |
|  | <b>375,204</b>   | <b>365,561</b>   |
|  | <b>1,621,074</b> | <b>1,590,499</b> |
| <b>EQUITY AND LIABILITIES</b>                    |                  |                  |
| <b>Equity</b>                                    |                  |                  |
| Subscribed capital                               | 72,680           | 72,680           |
| Subgroup Port Logistics                          | 69,975           | 69,975           |
| Subgroup Real Estate                             | 2,705            | 2,705            |
| Capital reserve                                  | 139,728          | 139,728          |
| Subgroup Port Logistics                          | 139,222          | 139,222          |
| Subgroup Real Estate                             | 506              | 506              |
| Retained earnings                                | 289,653          | 291,805          |
| Subgroup Port Logistics                          | 277,751          | 280,300          |
| Subgroup Real Estate                             | 11,903           | 11,505           |
| Other comprehensive income                       | 38,574           | 30,547           |
| Subgroup Port Logistics                          | 37,329           | 29,354           |
| Subgroup Real Estate                             | 1,245            | 1,193            |
| Minority interests in equity                     | 91,634           | 102,225          |
| Subgroup Port Logistics                          | 91,634           | 102,225          |
| Subgroup Real Estate                             | 0                | 0                |
|  | <b>632,269</b>   | <b>636,985</b>   |
| <b>Non-current liabilities</b>                   |                  |                  |
| Pension provisions                               | 326,305          | 325,141          |
| Other non-current provisions                     | 57,809           | 56,092           |
| Financial liabilities                            | 329,840          | 316,363          |
| Deferred taxes                                   | 12,850           | 13,029           |
|  | <b>726,804</b>   | <b>710,625</b>   |
| <b>Current liabilities</b>                       |                  |                  |
| Current provisions                               | 16,515           | 18,854           |
| Trade liabilities                                | 60,771           | 54,616           |
| Liabilities to related parties                   | 70,930           | 66,329           |
| Other financial liabilities                      | 77,042           | 66,077           |
| Other liabilities                                | 32,545           | 33,596           |
| Income tax liabilities                           | 4,198            | 3,417            |
|  | <b>262,001</b>   | <b>242,889</b>   |
|  | <b>1,621,074</b> | <b>1,590,499</b> |

## Balance sheet HHLA subgroups

IN € THOUSAND, PORT LOGISTICS SUBGROUP AND REAL ESTATE SUBGROUP; ANNEX TO THE CONDENSED NOTES

|  | 30.06.2010<br>Group | 30.06.2010<br>Port Logistics | 30.06.2010<br>Real Estate | 30.06.2010<br>Consolidation |
|--|---------------------|------------------------------|---------------------------|-----------------------------|
| <b>ASSETS</b>                                    |                     |                              |                           |                             |
| <b>Non-current assets</b>                        |                     |                              |                           |                             |
| Intangible assets                                | 83,868              | 83,844                       | 24                        | 0                           |
| Property, plant and equipment                    | 933,232             | 910,464                      | 5,201                     | 17,567                      |
| Investment property                              | 185,236             | 70,057                       | 146,976                   | - 31,796                    |
| Associates accounted for using the equity method | 1,459               | 1,459                        | 0                         | 0                           |
| Financial assets                                 | 9,746               | 8,761                        | 985                       | 0                           |
| Deferred taxes                                   | 32,329              | 36,454                       | 105                       | - 4,230                     |
|  | <b>1,245,870</b>    | <b>1,111,039</b>             | <b>153,291</b>            | <b>- 18,459</b>             |
| <b>Current assets</b>                            |                     |                              |                           |                             |
| Inventories                                      | 21,081              | 20,998                       | 83                        | 0                           |
| Trade receivables                                | 134,813             | 134,008                      | 805                       | 0                           |
| Receivables from related parties                 | 26,603              | 34,594                       | 178                       | - 8,169                     |
| Other financial receivables                      | 1,482               | 1,424                        | 58                        | 0                           |
| Other assets                                     | 18,372              | 18,058                       | 313                       | 0                           |
| Income tax receivables                           | 26,788              | 29,073                       | 0                         | - 2,285                     |
| Cash and cash equivalents                        | 144,065             | 143,885                      | 180                       | 0                           |
| Non-current assets held for sale                 | 2,000               | 2,000                        | 0                         | 0                           |
|  | <b>375,204</b>      | <b>384,040</b>               | <b>1,617</b>              | <b>- 10,454</b>             |
|  | <b>1,621,074</b>    | <b>1,495,079</b>             | <b>154,908</b>            | <b>- 28,913</b>             |
| <b>EQUITY AND LIABILITIES</b>                    |                     |                              |                           |                             |
| <b>Equity</b>                                    |                     |                              |                           |                             |
| Subscribed capital                               | 72,680              | 69,975                       | 2,705                     | 0                           |
| Capital reserve                                  | 139,728             | 139,222                      | 506                       | 0                           |
| Retained earnings                                | 289,653             | 277,751                      | 23,879                    | - 11,976                    |
| Other comprehensive income                       | 38,574              | 37,329                       | 1,245                     | 0                           |
| Minority interests in equity                     | 91,634              | 91,634                       | 0                         | 0                           |
|  | <b>632,269</b>      | <b>615,911</b>               | <b>28,335</b>             | <b>- 11,976</b>             |
| <b>Non-current liabilities</b>                   |                     |                              |                           |                             |
| Pension provisions                               | 326,305             | 320,731                      | 5,574                     | 0                           |
| Other non-current provisions                     | 57,809              | 56,403                       | 1,406                     | 0                           |
| Financial liabilities                            | 329,840             | 303,650                      | 26,190                    | 0                           |
| Deferred taxes                                   | 12,850              | 13,094                       | 6,239                     | - 6,483                     |
|  | <b>726,804</b>      | <b>693,878</b>               | <b>39,409</b>             | <b>- 6,483</b>              |
| <b>Current liabilities</b>                       |                     |                              |                           |                             |
| Current provisions                               | 16,515              | 14,975                       | 1,540                     | 0                           |
| Trade liabilities                                | 60,771              | 58,955                       | 1,816                     | 0                           |
| Liabilities to related parties                   | 70,930              | 4,179                        | 74,920                    | - 8,169                     |
| Other financial liabilities                      | 77,042              | 72,386                       | 4,656                     | 0                           |
| Other liabilities                                | 32,545              | 32,243                       | 302                       | 0                           |
| Income tax liabilities                           | 4,198               | 2,552                        | 3,930                     | - 2,285                     |
|  | <b>262,001</b>      | <b>185,290</b>               | <b>87,164</b>             | <b>- 10,454</b>             |
|  | <b>1,621,074</b>    | <b>1,495,079</b>             | <b>154,908</b>            | <b>- 28,913</b>             |

## Balance sheet HHLA subgroups

IN € THOUSAND, PORT LOGISTICS SUBGROUP AND REAL ESTATE SUBGROUP; ANNEX TO THE CONDENSED NOTES

|  | 31.12.2009<br>Group | 31.12.2009<br>Port Logistics | 31.12.2009<br>Real Estate | 31.12.2009<br>Consolidation |
|--|---------------------|------------------------------|---------------------------|-----------------------------|
| <b>ASSETS</b>                                    |                     |                              |                           |                             |
| <b>Non-current assets</b>                        |                     |                              |                           |                             |
| Intangible assets                                | 82,334              | 82,305                       | 30                        | 0                           |
| Property, plant and equipment                    | 916,772             | 893,700                      | 5,284                     | 17,787                      |
| Investment property                              | 186,471             | 71,032                       | 147,609                   | - 32,169                    |
| Associates accounted for using the equity method | 1,487               | 1,487                        | 0                         | 0                           |
| Financial assets                                 | 8,062               | 6,780                        | 1,282                     | 0                           |
| Deferred taxes                                   | 29,812              | 33,890                       | 152                       | - 4,230                     |
|  | <b>1,224,938</b>    | <b>1,089,194</b>             | <b>154,357</b>            | <b>- 18,612</b>             |
| <b>Current assets</b>                            |                     |                              |                           |                             |
| Inventories                                      | 20,379              | 20,298                       | 81                        | 0                           |
| Trade receivables                                | 121,731             | 120,878                      | 853                       | 0                           |
| Receivables from related parties                 | 6,660               | 16,867                       | 902                       | - 11,109                    |
| Other financial receivables                      | 2,356               | 2,333                        | 23                        | 0                           |
| Other assets                                     | 12,292              | 12,181                       | 110                       | 0                           |
| Income tax receivables                           | 23,412              | 25,581                       | 0                         | - 2,169                     |
| Cash and cash equivalents                        | 173,531             | 173,313                      | 218                       | 0                           |
| Non-current assets held for sale                 | 5,200               | 5,200                        | 0                         | 0                           |
|  | <b>365,561</b>      | <b>376,651</b>               | <b>2,187</b>              | <b>- 13,278</b>             |
|  | <b>1,590,499</b>    | <b>1,465,845</b>             | <b>156,544</b>            | <b>- 31,890</b>             |
| <b>EQUITY AND LIABILITIES</b>                    |                     |                              |                           |                             |
| <b>Equity</b>                                    |                     |                              |                           |                             |
| Subscribed capital                               | 72,680              | 69,975                       | 2,705                     | 0                           |
| Capital reserve                                  | 139,728             | 139,222                      | 506                       | 0                           |
| Retained earnings                                | 291,805             | 280,300                      | 23,610                    | - 12,105                    |
| Other comprehensive income                       | 30,547              | 29,354                       | 1,193                     | 0                           |
| Minority interests in equity                     | 102,225             | 102,225                      | 0                         | 0                           |
|  | <b>636,985</b>      | <b>621,076</b>               | <b>28,014</b>             | <b>- 12,105</b>             |
| <b>Non-current liabilities</b>                   |                     |                              |                           |                             |
| Pension provisions                               | 325,141             | 319,512                      | 5,629                     | 0                           |
| Other non-current provisions                     | 56,092              | 54,663                       | 1,429                     | 0                           |
| Financial liabilities                            | 316,363             | 288,861                      | 27,502                    | 0                           |
| Deferred taxes                                   | 13,029              | 13,228                       | 6,308                     | - 6,507                     |
|  | <b>710,625</b>      | <b>676,264</b>               | <b>40,868</b>             | <b>- 6,507</b>              |
| <b>Current liabilities</b>                       |                     |                              |                           |                             |
| Current provisions                               | 18,854              | 17,768                       | 1,086                     | 0                           |
| Trade liabilities                                | 54,616              | 52,733                       | 1,883                     | 0                           |
| Liabilities to related parties                   | 66,329              | 1,723                        | 75,715                    | - 11,109                    |
| Other financial liabilities                      | 66,077              | 61,203                       | 4,874                     | 0                           |
| Other liabilities                                | 33,596              | 33,273                       | 323                       | 0                           |
| Income tax liabilities                           | 3,417               | 1,805                        | 3,781                     | - 2,169                     |
|  | <b>242,889</b>      | <b>168,505</b>               | <b>87,662</b>             | <b>- 13,278</b>             |
|  | <b>1,590,499</b>    | <b>1,465,845</b>             | <b>156,544</b>            | <b>- 31,890</b>             |

## Cash flow statement HHLA Group

IN € THOUSAND

|   | 1 - 6   2010    | 1 - 6   2009    |
|---|-----------------|-----------------|
| <b>1. Cash flow from operating activities</b>   |                 |                 |
| Earnings before interest and taxes (EBIT)   | 81,380          | 81,528          |
| Depreciation, amortization, impairment and reversals on non-financial non-current assets                        | 51,298          | 62,184          |
| Decrease in provisions  | - 8,452         | - 14,337        |
| Gains/losses arising from the disposal of non-current assets  | 10              | 393             |
| Change in inventories, trade receivables and other assets not attributable to investing or financing activities | - 20,008        | 25,219          |
| Increase in trade liabilities and other liabilities not attributable to investing or financing activities       | 18,288          | 3,373           |
| Interest received   | 1,761           | 3,396           |
| Interest paid   | - 11,904        | - 10,361        |
| Income tax paid   | - 23,127        | - 58,012        |
| Exchange rate and other effects   | 4,392           | - 522           |
| Cash flow from operating activities   | <b>93,638</b>   | <b>92,861</b>   |
| <b>2. Cash flow from investing activities</b>   |                 |                 |
| Proceeds from disposal of intangible assets and property, plant and equipment                                   | 6,891           | 1,392           |
| Payments for investments in property, plant and equipment and investment property                               | - 32,423        | - 97,860        |
| Payments for investments in intangible assets   | - 3,083         | - 4,574         |
| Proceeds from disposal of non-current financial assets  | 4               | 189             |
| Payments for investments in non-current financial assets  | - 1,512         | - 611           |
| Payments for acquiring interests in consolidated companies and other business units                             | - 246           | - 44            |
| Proceeds from the disposal of interests in consolidated companies and other business units                      | 0               | 4,403           |
| Cash flow from investing activities   | <b>- 30,369</b> | <b>- 97,105</b> |
| <b>3. Cash flow from financing activities</b>   |                 |                 |
| Dividends paid to shareholders of the parent company  | - 30,695        | - 72,680        |
| Dividends paid to minority shareholders   | - 26,895        | - 41,496        |
| Redemption of lease liabilities   | - 1,565         | - 1,368         |
| Proceeds from the issuance of bank loans  | 0               | 29,810          |
| Payments for the redemption of bank loans   | - 16,603        | - 12,859        |
| Cash flow from financing activities   | <b>- 75,758</b> | <b>- 98,593</b> |
| <b>4. Financial funds at the end of the period</b>  |                 |                 |
| Change in financial funds (subtotals 1.-3.)   | - 12,489        | - 102,837       |
| Change in financial funds due to exchange rates   | - 2,339         | 242             |
| Financial funds at the beginning of the period  | 179,156         | 231,161         |
| Financial funds at the end of the period  | <b>164,328</b>  | <b>128,566</b>  |

## Cash flow statement HHLA subgroups

IN € THOUSAND; PORT LOGISTICS SUBGROUP AND REAL ESTATE SUBGROUP; ANNEX TO THE CONDENSED NOTES

|   | 1 - 6   2010<br>Group | 1 - 6   2010<br>Port Logistics | 1 - 6   2010<br>Real Estate | 1 - 6   2010<br>Consolidation |
|---|-----------------------|--------------------------------|-----------------------------|-------------------------------|
| <b>1. Cash flow from operating activities</b>   |                       |                                |                             |                               |
| Earnings before interest and taxes (EBIT)   | 81,380                | 74,511                         | 6,716                       | 153                           |
| Depreciation, amortization, impairment and reversals on non-financial non-current assets                        | 51,298                | 49,401                         | 2,050                       | - 153                         |
| Change in provisions  | - 8,452               | - 8,744                        | 292                         |                               |
| Gains/losses arising from the disposal of non-current assets  | 10                    | 10                             | 0                           |                               |
| Change in inventories, trade receivables and other assets not attributable to investing or financing activities | - 20,008              | - 20,498                       | 830                         | - 340                         |
| Increase in trade liabilities and other liabilities not attributable to investing or financing activities       | 18,288                | 16,420                         | 1,528                       | 340                           |
| Interest received   | 1,761                 | 1,784                          | 45                          | - 68                          |
| Interest paid   | - 11,904              | - 9,551                        | - 2,421                     | 68                            |
| Income tax paid   | - 23,127              | - 21,904                       | - 1,223                     |                               |
| Exchange rate and other effects   | 4,392                 | 4,392                          | 0                           |                               |
| Cash flow from operating activities   | <b>93,638</b>         | <b>85,821</b>                  | <b>7,817</b>                | <b>0</b>                      |
| <b>2. Cash flow from investing activities</b>   |                       |                                |                             |                               |
| Proceeds from disposal of intangible assets and property, plant and equipment                                   | 6,891                 | 6,891                          | 0                           |                               |
| Payments for investments in property, plant and equipment and investment property                               | - 32,423              | - 31,095                       | - 1,328                     |                               |
| Payments for investments in intangible assets   | - 3,083               | - 3,083                        | 0                           |                               |
| Proceeds from disposal of non-current financial assets  | 4                     | 4                              | 0                           |                               |
| Payments for investments in non-current financial assets  | - 1,512               | - 1,511                        | - 1                         |                               |
| Payments for acquiring interests in consolidated companies and other business units                             | - 246                 | - 246                          | 0                           |                               |
| Cash flow from investing activities   | <b>- 30,369</b>       | <b>- 29,040</b>                | <b>- 1,329</b>              | <b>0</b>                      |
| <b>3. Cash flow from financing activities</b>   |                       |                                |                             |                               |
| Dividends paid to shareholders of the parent company  | - 30,695              | - 27,990                       | - 2,705                     |                               |
| Dividends paid to minority shareholders   | - 26,895              | - 26,895                       | 0                           |                               |
| Redemption of lease liabilities   | - 1,565               | - 1,565                        | 0                           |                               |
| Payments for the redemption of bank loans   | - 16,603              | - 15,382                       | - 1,221                     |                               |
| Cash flow from financing activities   | <b>- 75,758</b>       | <b>- 71,832</b>                | <b>- 3,926</b>              | <b>0</b>                      |
| <b>4. Financial funds at the end of the period</b>  |                       |                                |                             |                               |
| Change in financial funds (subtotals 1.-3.)   | - 12,489              | - 15,051                       | 2,562                       | 0                             |
| Change in financial funds due to exchange rates   | - 2,339               | - 2,339                        | 0                           |                               |
| Financial funds at the beginning of the period  | 179,156               | 183,538                        | - 4,382                     | 0                             |
| Financial funds at the end of the period  | <b>164,328</b>        | <b>166,148</b>                 | <b>- 1,820</b>              | <b>0</b>                      |

## Cash flow statement HHLA subgroups

IN € THOUSAND; PORT LOGISTICS SUBGROUP AND REAL ESTATE SUBGROUP; ANNEX TO THE CONDENSED NOTES

|   | 1 - 6   2009<br>Group | 1 - 6   2009<br>Port Logistics | 1 - 6   2009<br>Real Estate | 1 - 6   2009<br>Consolidation |
|---|-----------------------|--------------------------------|-----------------------------|-------------------------------|
| <b>1. Cash flow from operating activities</b>   |                       |                                |                             |                               |
| Earnings before interest and taxes (EBIT)   | 81,528                | 74,910                         | 6,544                       | 74                            |
| Depreciation, amortization, impairment and reversals on non-financial non-current assets                        | 62,184                | 60,292                         | 2,040                       | - 148                         |
| Decrease in provisions  | - 14,337              | - 13,209                       | - 1,128                     |                               |
| Gains/losses arising from the disposal of non-current assets  | 393                   | 393                            | 0                           |                               |
| Change in inventories, trade receivables and other assets not attributable to investing or financing activities | 25,219                | 33,158                         | - 1,445                     | - 6,494                       |
| Change in trade liabilities and other liabilities not attributable to investing or financing activities         | 3,373                 | - 899                          | 2,178                       | 2,094                         |
| Interest received   | 3,396                 | 3,346                          | 50                          |                               |
| Interest paid   | - 10,361              | - 7,972                        | - 2,463                     | 74                            |
| Income tax paid   | - 58,012              | - 54,018                       | - 3,994                     |                               |
| Exchange rate and other effects   | - 522                 | - 522                          | 0                           |                               |
| Cash flow from operating activities   | <b>92,861</b>         | <b>95,479</b>                  | <b>1,782</b>                | <b>- 4,400</b>                |
| <b>2. Cash flow from investing activities</b>   |                       |                                |                             |                               |
| Proceeds from disposal of intangible assets and property, plant and equipment                                   | 1,392                 | 1,392                          | 0                           |                               |
| Payments for investments in property, plant and equipment and investment property                               | - 97,860              | - 95,477                       | - 2,383                     |                               |
| Payments for investments in intangible assets   | - 4,574               | - 4,574                        | 0                           |                               |
| Proceeds from disposal of non-current financial assets  | 189                   | 189                            | 0                           |                               |
| Payments for investments in non-current financial assets  | - 611                 | - 611                          | 0                           |                               |
| Payments for acquiring interests in consolidated companies and other business units                             | - 44                  | - 44                           | 0                           |                               |
| Proceeds from the disposal of interests in consolidated companies and other business units                      | 4,403                 | 4,403                          | 0                           |                               |
| Cash flow from investing activities   | <b>- 97,105</b>       | <b>- 94,722</b>                | <b>- 2,383</b>              | <b>0</b>                      |
| <b>3. Cash flow from financing activities</b>   |                       |                                |                             |                               |
| Dividends paid to shareholders of the parent company  | - 72,680              | - 69,975                       | - 2,705                     |                               |
| Dividends paid to minority shareholders   | - 41,496              | - 41,496                       | 0                           |                               |
| Redemption of lease liabilities   | - 1,368               | - 1,368                        | 0                           |                               |
| Proceeds from the issuance of bank loans  | 29,810                | 29,810                         | 0                           |                               |
| Payments for the redemption of bank loans   | - 12,859              | - 11,638                       | - 1,221                     |                               |
| Cash flow from financing activities   | <b>- 98,593</b>       | <b>- 94,667</b>                | <b>- 3,926</b>              | <b>0</b>                      |
| <b>4. Financial funds at the end of the period</b>  |                       |                                |                             |                               |
| Change in financial funds (subtotals 1.-3.)   | - 102,837             | - 93,910                       | - 4,527                     | - 4,400                       |
| Change in financial funds due to exchange rates   | 242                   | 242                            | 0                           |                               |
| Financial funds at the beginning of the period  | 231,161               | 236,448                        | - 2,487                     | - 2,800                       |
| Financial funds at the end of the period  | <b>128,566</b>        | <b>142,780</b>                 | <b>- 7,014</b>              | <b>- 7,200</b>                |



## Segment report HHLA Group

IN € THOUSAND; BUSINESS SEGMENTS; ANNEX TO THE CONDENSED NOTES

|   | Subgroup Port Logistics |            |           |
|---|-------------------------|------------|-----------|
| 1 - 6   2010  | Container               | Intermodal | Logistics |
| <b>Segment revenue</b>  |                         |            |           |
| Segment revenue from non-affiliated third parties                       | 276,671                 | 147,316    | 58,435    |
| Inter-segment revenue   | 5,097                   | 851        | 1,871     |
| Total segment revenue   | 281,768                 | 148,167    | 60,306    |
| <b>Earnings</b>   |                         |            |           |
| EBIT from continuing activities <sup>1</sup>                            | 68,856                  | 8,704      | 3,570     |
| EBIT  | 68,856                  | 10,654     | 3,570     |
| EBITDA  | 106,865                 | 17,997     | 7,115     |
| EBITDA margin   | 37.9 %                  | 12.1 %     | 11.8 %    |
| <b>Segment assets</b>   | 863,267                 | 264,617    | 112,465   |
| <b>Other segment information</b>  |                         |            |           |
| Investments   |                         |            |           |
| Property, plant and equipment and investment properties                 | 53,498                  | 5,352      | 1,748     |
| Intangible assets   | 2,038                   | 206        | 35        |
| Depreciation of property, plant and equipment and investment properties | 36,348                  | 7,189      | 3,426     |
| Amortization of intangible assets                                       | 1,661                   | 153        | 119       |
| Non-cash items  | 7,453                   | 1,359      | 1,673     |
| <b>Container throughput in thousand TEU</b>                             | 2,633                   |            |           |
| <b>Container transport<sup>3</sup> in thousand TEU</b>                  |                         | 798        |           |
| <b>1 - 6   2009</b>   |                         |            |           |
| <b>Segment revenue</b>  |                         |            |           |
| Segment revenue from non-affiliated third parties                       | 286,848                 | 135,761    | 54,719    |
| Inter-segment revenue   | 890                     | 666        | 1,882     |
| Total segment revenue   | 287,738                 | 136,427    | 56,601    |
| <b>Earnings</b>   |                         |            |           |
| EBIT from continuing activities <sup>2</sup>                            | 79,483                  | 11,400     | 3,613     |
| EBIT  | 79,483                  | - 2,182    | 3,613     |
| EBITDA  | 116,776                 | 15,893     | 6,351     |
| EBITDA margin   | 40.6 %                  | 11.6 %     | 11.2 %    |
| <b>Segment assets</b>   | 840,818                 | 236,895    | 105,557   |
| <b>Other segment information</b>  |                         |            |           |
| Investments   |                         |            |           |
| Property, plant and equipment and investment properties                 | 55,697                  | 26,332     | 11,776    |
| Intangible assets   | 4,236                   | 158        | 90        |
| Depreciation of property, plant and equipment and investment properties | 34,754                  | 7,279      | 2,626     |
| Amortization of intangible assets                                       | 2,539                   | 152        | 113       |
| Amortization and depreciation on non-current assets held for sale       |                         | 10,644     |           |
| Non-cash items  | 7,663                   | 2,887      | 1,680     |
| <b>Container throughput in thousand TEU</b>                             | 2,419                   |            |           |
| <b>Container transport<sup>3</sup> in thousand TEU</b>                  |                         | 716        |           |

<sup>1</sup> EBIT from continuing activities does not contain the result from CTL.<sup>2</sup> In order to facilitate comparison, the previous year's values have been presented without the current result from combisped and from CTL. <sup>3</sup> The transport volume was fully consolidated.

|               | Subgroup Real Estate | Total     | Consolidation and<br>reconciliation with Group | Group     |
|---------------|----------------------|-----------|--|-----------|
| Holding/Other | Real Estate          |           |  |           |
| 7,349         | 15,327               | 505,098   | 0  | 505,098   |
| 63,281        | 1,279                | 72,379    | - 72,379                                       | 0         |
| 70,630        | 16,606               | 577,477   |  |           |
| - 9,425       | 6,716                | 78,421    | 984  | 79,405    |
| - 9,425       | 6,716                | 80,371    | 1,009  | 81,380    |
| - 6,020       | 8,766                | 134,723   | - 75   | 134,648   |
| - 8.5 %       | 52.8 %               |           |  |           |
| 142,482       | 154,599              | 1,537,430 | 83,644   | 1,621,074 |
|               |                      |           |  |           |
| 856           | 1,328                | 62,782    | 0  | 62,782    |
| 635           | 0                    | 2,914     | 169  | 3,083     |
| 3,114         | 2,045                | 52,122    | - 501  | 51,621    |
| 291           | 6                    | 2,230     | - 583  | 1,647     |
| 4,827         | 490                  | 15,802    | 144  | 15,946    |
|               |                      |           |  |           |
|               |                      |           |  |           |
| 8,327         | 15,325               | 500,980   | 0  | 500,980   |
| 58,742        | 1,266                | 63,446    | - 63,446                                       | 0         |
| 67,069        | 16,591               | 564,426   |  |           |
| - 7,005       | 6,544                | 94,035    | 1,041  | 95,076    |
| - 7,005       | 6,544                | 80,453    | 1,075  | 81,528    |
| - 3,560       | 8,584                | 144,044   | - 332  | 143,712   |
| - 5.3 %       | 51.7 %               |           |  |           |
| 247,485       | 157,935              | 1,588,690 | - 41,189                                       | 1,547,501 |
|               |                      |           |  |           |
| 1,902         | 2,383                | 98,090    | - 230  | 97,860    |
| 405           | 0                    | 4,889     | - 315  | 4,574     |
| 3,113         | 2,033                | 49,805    | - 559  | 49,246    |
| 331           | 7                    | 3,142     | - 847  | 2,295     |
|               |                      | 10,644    | 0  | 10,644    |
| 6,943         | 2,393                | 21,566    | 489  | 22,055    |
|               |                      |           |  |           |
|               |                      |           |  |           |

## Statement of changes in equity HHLA Group

IN € THOUSAND

|   | Parent Company     |              |                 |            |                                |                         |
|---|--------------------|--------------|-----------------|------------|--------------------------------|-------------------------|
|   | Subscribed capital |              | Capital reserve |            | Retained consolidated earnings | Reserve for translation |
|   | A division         | S division   | A division      | S division |                                |                         |
| <b>Balance as of 31.12.2008</b>                                     | <b>69,975</b>      | <b>2,705</b> | <b>139,222</b>  | <b>506</b> | <b>311,693</b>                 | <b>- 15,548</b>         |
| Dividends   |                    |              |                 |            | - 72,680                       |                         |
| Total comprehensive income  |                    |              |                 |            | 25,674                         | - 621                   |
| Acquisition/disposal of minority interests in consolidated entities |                    |              |                 |            |                                |                         |
| Other changes   |                    |              |                 |            | - 254                          |                         |
| <b>Balance as of 30.06.2009</b>                                     | <b>69,975</b>      | <b>2,705</b> | <b>139,222</b>  | <b>506</b> | <b>264,434</b>                 | <b>- 16,169</b>         |
| <b>Balance as of 31.12.2009</b>                                     | <b>69,975</b>      | <b>2,705</b> | <b>139,222</b>  | <b>506</b> | <b>291,805</b>                 | <b>- 18,624</b>         |
| Dividends   |                    |              |                 |            | - 30,695                       |                         |
| Total comprehensive income  |                    |              |                 |            | 28,543                         | 8,215                   |
| <b>Balance as of 30.06.2010</b>                                     | <b>69,975</b>      | <b>2,705</b> | <b>139,222</b>  | <b>506</b> | <b>289,653</b>                 | <b>- 10,409</b>         |

## 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 translation |
|   |                    |                 |                                |                         |
| <b>Balance as of 31.12.2008</b>                                     | <b>69,975</b>      | <b>139,222</b>  | <b>303,825</b>                 | <b>- 15,548</b>         |
| Dividends   |                    |                 | - 69,975                       |                         |
| Total comprehensive income subgroup                                 |                    |                 | 22,845                         | - 621                   |
| Acquisition/disposal of minority interests in consolidated entities |                    |                 |                                |                         |
| Other changes   |                    |                 | - 254                          |                         |
| <b>Balance as of 30.06.2009</b>                                     | <b>69,975</b>      | <b>139,222</b>  | <b>256,440</b>                 | <b>- 16,169</b>         |
| <b>Balance as of 31.12.2009</b>                                     | <b>69,975</b>      | <b>139,222</b>  | <b>280,300</b>                 | <b>- 18,624</b>         |
| Dividends   |                    |                 | - 27,990                       |                         |
| Total comprehensive income subgroup                                 |                    |                 | 25,441                         | 8,215                   |
| <b>Balance as of 30.06.2010</b>                                     | <b>69,975</b>      | <b>139,222</b>  | <b>277,751</b>                 | <b>- 10,409</b>         |

| Other comprehensive income |                        |   |        |          | Minority interests | Consolidated equity |
|----------------------------|------------------------|---|--------|----------|--------------------|---------------------|
| Cash flow hedges           | Actuarial gains/losses | Deferred taxes on changes recognized directly in equity | Other  | Total    | Total              | Total               |
| - 361                      | 79,786                 | - 25,475  | 11,611 | 574,114  | 108,466            | 682,580             |
|                            |                        |   |        | - 72,680 | - 41,496           | - 114,176           |
| - 542                      | 20,186                 | - 6,348   | - 9    | 38,341   | 17,878             | 56,219              |
|                            |                        |   |        | 0        | 254                | 254                 |
|                            |                        |   | - 25   | - 279    | 231                | - 48                |
| - 903                      | 99,972                 | - 31,823  | 11,577 | 539,496  | 85,333             | 624,829             |
| - 869                      | 56,161                 | - 17,808  | 11,687 | 534,760  | 102,225            | 636,985             |
|                            |                        |   |        | - 30,695 | - 26,895           | - 57,590            |
| - 569                      | 420                    | 6   | - 45   | 36,570   | 16,304             | 52,874              |
| - 1,438                    | 56,581                 | - 17,802  | 11,642 | 540,635  | 91,634             | 632,269             |

| Other comprehensive income |                        |   |        |          | Minority interests | Subgroup consolidated equity |
|----------------------------|------------------------|---|--------|----------|--------------------|------------------------------|
| Cash flow hedges           | Actuarial gains/losses | Deferred taxes on changes recognized directly in equity | Other  | Total    | Total              | Total                        |
| - 361                      | 77,706                 | - 24,804  | 11,611 | 561,626  | 108,466            | 670,092                      |
|                            |                        |   |        | - 69,975 | - 41,496           | - 111,471                    |
| - 542                      | 19,661                 | - 6,179   | - 9    | 35,156   | 17,878             | 53,034                       |
|                            |                        |   |        | 0        | 254                | 254                          |
|                            |                        |   | - 25   | - 279    | 231                | - 48                         |
| - 903                      | 97,367                 | - 30,983  | 11,577 | 526,528  | 85,333             | 611,860                      |
| - 869                      | 54,400                 | - 17,240  | 11,687 | 518,851  | 102,225            | 621,076                      |
|                            |                        |   |        | - 27,990 | - 26,895           | - 54,885                     |
| - 569                      | 344                    | 31  | - 45   | 33,417   | 16,304             | 49,721                       |
| - 1,438                    | 54,744                 | - 17,209  | 11,642 | 524,277  | 91,634             | 615,911                      |

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

IN € THOUSAND; ANNEX TO THE CONDENSED NOTES

|  | Subscribed capital | Capital reserve | Retained consolidated earnings | Other comprehensive income |   | Subgroup consolidated equity |
|--|--------------------|-----------------|--------------------------------|----------------------------|---|------------------------------|
|  |                    |                 |                                | Actuarial gains/losses     | Deferred taxes on changes recognized directly in equity | Total                        |
| <b>Balance as of 31.12.2008</b>            | <b>2,705</b>       | <b>506</b>      | <b>20,223</b>                  | <b>2,080</b>               | <b>- 671</b>  | <b>24,843</b>                |
| Dividends                                  |                    |                 | - 2,705                        |                            |   | - 2,705                      |
| Total comprehensive income, subgroup       |                    |                 | 2,705                          | 525                        | - 169   | 3,061                        |
| <b>Balance as of 30.06.2009</b>            | <b>2,705</b>       | <b>506</b>      | <b>20,224</b>                  | <b>2,605</b>               | <b>- 840</b>  | <b>25,199</b>                |
| Plus income statement consolidation effect |                    |                 | 125                            |                            |   | 125                          |
| Less balance sheet consolidation effect    |                    |                 | - 12,354                       |                            |   | - 12,354                     |
| <b>Total effects of consolidation</b>      |                    |                 | <b>- 12,230</b>                |                            |   | <b>- 12,230</b>              |
| <b>Balance as of 30.06.2009</b>            | <b>2,705</b>       | <b>506</b>      | <b>7,994</b>                   | <b>2,605</b>               | <b>- 840</b>  | <b>12,969</b>                |
| <b>Balance as of 31.12.2009</b>            | <b>2,705</b>       | <b>506</b>      | <b>23,610</b>                  | <b>1,761</b>               | <b>- 568</b>  | <b>28,013</b>                |
| Dividends                                  |                    |                 | - 2,705                        |                            |   | - 2,705                      |
| Total comprehensive income, subgroup       |                    |                 | 2,973                          | 76                         | - 25  | 3,024                        |
| <b>Balance as of 30.06.2010</b>            | <b>2,705</b>       | <b>506</b>      | <b>23,879</b>                  | <b>1,838</b>               | <b>- 593</b>  | <b>28,335</b>                |
| Plus income statement consolidation effect |                    |                 | 129                            |                            |   | 129                          |
| Less balance sheet consolidation effect    |                    |                 | - 12,105                       |                            |   | - 12,105                     |
| <b>Total effects of consolidation</b>      |                    |                 | <b>- 11,976</b>                |                            |   | <b>- 11,976</b>              |
| <b>Balance as of 30.06.2010</b>            | <b>2,705</b>       | <b>506</b>      | <b>11,903</b>                  | <b>1,838</b>               | <b>- 593</b>  | <b>16,359</b>                |

Due to the use of rounding procedures in this report, minor deviations may occur in the calculation of totals and percentages.

## Notes to the interim consolidated financial statements

### 1. BASIC INFORMATION ON THE GROUP

The Group's parent company is Hamburger Hafen und Logistik Aktiengesellschaft, Bei St. Annen 1, Hamburg (in the following also referred to as HHLA), 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.

The 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 FINANCIAL YEAR

The sale of the main assets of CTL Container Terminal Lübeck GmbH, Lübeck, in the Intermodal segment took place on 30 March 2010 with effect from 30 April 2010. The remaining assets have been measured as of 30 June 2010, due to sales negotiations already underway, at a fair value of €2,000 thousand. This necessitates the reversal of an impairment loss for the same amount, which is recognized in the consolidated income statement under other operating income. The contract was signed on 20 July 2010.

HHLA Intermodal GmbH, Hamburg, and EUROGATE Intermodal GmbH, Hamburg, jointly established IPN Inland Port Network GmbH & Co. KG in the first quarter of 2010. The general partner is IPN Inland Port Network Verwaltungsgesellschaft mbH, Hamburg, which originated from a jointly acquired shelf company. We refer to the explanatory remarks in Note 4 for more details.

A merger agreement between CTT Besitzgesellschaft mbH, Hamburg, and HHLA Container Terminal Tollerort GmbH, Hamburg, was signed and approved at a shareholders' meeting on 9 June 2010. It became effective when it was entered into the commercial register on 22 June 2010.

A settlement was reached between the Hamburg Port Authority, Hamburg (HPA), UNIKAI Hafenbetrieb GmbH, Hamburg (UNIKAI), and LZU Leercontainer Zentrum Unikai GmbH, Hamburg (LZU), on the early termination of the lease of port areas with effect from 30 June 2011. HPA is a related party of HHLA and is to pay total compensation of €15,000 thousand to UNIKAI and LZU for the loss of income for the leased areas. The settlement was signed on 2 June 2010. The required approvals by the respective committees of the entities involved were granted in the course of the third quarter.

In July the competition authority approved an application to establish a joint venture between the HHLA subsidiary CTD Container-Transport-Dienst GmbH, Hamburg, and EKB Container Logistik GmbH & Co. KG, Bremen.

Since January 2010, company management has been holding talks with employee representatives about continuing the "Securing the Future" project. These talks focus on reorganizing workflow and labour management at the HHLA Container Terminal Burchardkai GmbH, Hamburg (CTB), and optimizing productivity and capacity management between CTB and the HHLA Container Terminal Tollerort GmbH, Hamburg. Results are still pending.

There were no significant events in the reporting period other than those mentioned above.

### 3. CONSOLIDATION, ACCOUNTING AND VALUATION PRINCIPLES

#### 3.1 Basis for preparation of the financial statements

The abridged interim consolidated financial statements for the period from 1 January to 30 June 2010 were prepared in compliance with the rules of IAS 34 *Interim Financial Reporting*.

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

The abridged interim consolidated financial statements have been reviewed by the auditors and should be read in conjunction with the audited consolidated financial statements as of 31 December 2009.

### 3.2 Principal accounting and valuation methods

The accounting and valuation methods used for the preparation of the abridged interim consolidated financial statements correspond to the methods used in the preparation of the consolidated financial statements as of 31 December 2009.

In addition, the company is applying the following rules for the first time as of 1 January 2010:

|                        |  |
|------------------------|--|
| ■ Amendments to IFRS 2 | <i>Group Cash-settled Share-based Payment Transactions</i>                       |
| ■ Revised IFRS 3       | <i>Business Combinations</i>   |
| ■ IAS 24               | <i>Related Party Disclosures</i>   |
| ■ Amendments to IAS 32 | <i>Financial Instruments: Presentation</i>                                       |
| ■ Amendments to IAS 39 | <i>Financial Instruments: Recognition and Measurement: Eligible Hedged Items</i> |
| ■ IFRIC 15             | <i>Agreements for the Construction of Real Estate</i>                            |
| ■ IFRIC 17             | <i>Distributions of Non-cash Assets to Owners</i>                                |
| ■ IFRIC 18             | <i>Transfers of Assets from Customers</i>  |
| ■ Various              | <i>Annual improvements to IFRS (May 2008)</i>                                    |
| ■ Various              | <i>Annual improvements to IFRS (April 2009)</i>                                  |

External staff costs, which were previously recognized in the cost of materials, have been reclassified since the first quarter of 2010. These expenses were reclassified as personnel expenses for the first time as of 31 March 2010. This item includes expenses for the deployment of employees of Gesamthafenbetriebs-Gesellschaft m.b.H., Hamburg. Due to the similarity of the employee situations, reclassifying these costs as personnel expenses makes our presentation more consistent. The presentation of the corresponding figures from the previous year's income statement has been adjusted. The following overview can be used for comparison purposes:

| IN € THOUSAND           | Cost of materials |              | Personnel expenses |              |
|-------------------------|-------------------|--------------|--------------------|--------------|
|                         | 1 - 6   2010      | 1 - 6   2009 | 1 - 6   2010       | 1 - 6   2009 |
| Before reclassification | - 187,860         | - 169,690    | - 138,114          | - 144,925    |
| Reclassification        | 15,665            | 10,995       | - 15,665           | - 10,995     |
| After reclassification  | - 172,195         | - 158,695    | - 153,779          | - 155,920    |

In the second quarter of 2010, METRANS a.s., Prague, altered the useful lives of all the wagons in its balance sheet to a uniform 15 years, with retroactive effect as of 1 January 2010. For the financial year 2010 this reduces depreciation and amortization by € 1,958 thousand.

Apart from that there were no significant effects on the abridged interim consolidated financial statements.

### 4. PURCHASE AND SALE OF SHARES IN SUBSIDIARIES

With the application to register the company in the commercial register made on 17 March 2010, the general partner IPN Inland Port Network Verwaltungsgesellschaft mbH, Hamburg, jointly established the limited partnership IPN Inland Port Network GmbH & Co. KG, Hamburg (IPN KG), with the limited partners HHLA Intermodal GmbH, Hamburg (HHLA Intermodal), and EUROGATE Intermodal GmbH, Hamburg (EUROGATE Intermodal). The object of the company is to plan, construct and market handling facilities for intermodal transport in the hinterland of German seaports and make equity investments in similar facilities. The capital contribution for both limited partners is € 62,500. The company was entered in the commercial register on 6 May 2010.

The general partner of IPN KG, IPN Inland Port Network Verwaltungsgesellschaft mbH, Hamburg (IPN Verwaltung), which originated from a jointly acquired shelf company, subsequently renamed, has nominal capital of € 25,000. The two partners, HHLA Intermodal and EUROGATE International, each hold 50 % of the nominal capital. The legal changes to the partnership were entered in the commercial register on 3 May 2010.



IPN KG and IPN Verwaltung have not been included in the group of consolidated companies in these interim consolidated financial statements because they have yet to commence business.

## 5. EARNINGS PER SHARE

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

|   |          | 1 - 6   2010 | 1 - 6   2009 |
|---|----------|--------------|--------------|
| Net profit attributable to shareholders of the parent company | T€       | 28,543       | 25,674       |
| Number of common shares in circulation                        |          | 72,679,826   | 72,679,826   |
| <b>Basic earnings per share</b>                               | <b>€</b> | <b>0.39</b>  | <b>0.35</b>  |

The basic earnings per share for the first half-year of 2010 were calculated for the subgroups as follows:

|   |          | Port Logistics | Real Estate |
|---|----------|----------------|-------------|
| Net profit attributable to shareholders of the parent company | T€       | 25,441         | 3,102       |
| Number of common shares in circulation                        |          | 69,975,326     | 2,704,500   |
| <b>Basic earnings per share</b>                               | <b>€</b> | <b>0.36</b>    | <b>1.15</b> |

The basic earnings per share for the first half-year of 2009 were calculated for the subgroups as follows:

|   |          | Port Logistics | Real Estate |
|---|----------|----------------|-------------|
| Net profit attributable to shareholders of the parent company | T€       | 22,845         | 2,830       |
| Number of common shares in circulation                        |          | 69,975,326     | 2,704,500   |
| <b>Basic earnings per share</b>                               | <b>€</b> | <b>0.33</b>    | <b>1.05</b> |

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

## 6. DIVIDENDS PAID

At the Annual General Meeting held on 16 June 2010, shareholders approved the proposal by the Executive Board and Supervisory Board to distribute a dividend of €0.40 per share to shareholders of the Port Logistics subgroup and of €1.00 per share to shareholders of the Real Estate subgroup. The dividend of €30,695 thousand was paid accordingly on 17 June 2010.

## 7. SEGMENT REPORT

The segment report is presented as an annex to the Notes ► see page 30 f.

The HHLA Group's segment report is being prepared in accordance with the provisions of IFRS 8 *Operating Segments*. IFRS 8 requires reporting on the basis of the internal reports to the Executive Board for the purpose of controlling the company's 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 the internal control function. In the second quarter of 2009, internal reporting was extended to include EBIT from continuing activities. This excludes the result of non-current assets held for sale. In the second quarter of 2010, this concerns the result of CTL Container Terminal Lübeck GmbH, Lübeck (CTL) (previous year: results of combisped Hanseatische Spedition GmbH, Lübeck (combisped), and CTL). For more information, please refer to the annual report as of 31 December 2009.

The accounting and valuation principles applied for internal reporting comply with the principles described in Note 7 "Accounting and valuation principles" in the annual report as of 31 December 2009.

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

The HHLA Group operates in the following four segments:

#### Container

This segment encompasses services relating to containers and ship handling. With its high-performance container terminals, HHLA maintains the Port of Hamburg's outstanding importance as a logistics hub for general cargo traffic.

#### Intermodal

The companies allocated to HHLA's Intermodal segment provide a comprehensive transport network encompassing rail, road and sea which links the German seaports with their hinterland in Europe.

#### Logistics

This segment combines a wide range of services – including special handling, contract logistics and advisory services – which go to make up Hamburg's diversity as an all-purpose port.

#### Real Estate

HHLA's Real Estate segment owns properties in and around the Port of Hamburg which are not used specifically for port handling. These include properties in the historical Speicherstadt warehouse district and the fish market area on the northern banks of the river Elbe.

The Holding/Other division used for segment reporting does not represent an independent business segment as defined by the IFRS standards. However, it has been allocated to the segments within the subgroup Port Logistics 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, and financial assets which 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 other financial result.

#### Reconciliation of the segment variable EBIT to earnings before taxes EBT

| IN € THOUSAND  | 1 - 6   2010  | 1 - 6   2009  |
|--|---------------|---------------|
| <b>Total segment earnings (EBIT)</b>                                 | <b>80,371</b> | <b>80,453</b> |
| Elimination of intercompany relations between segments and subgroups | 1,009         | 1,075         |
| <b>Group</b>   | <b>81,380</b> | <b>81,528</b> |
| Earnings from associates accounted for using the equity method       | 47            | 39            |
| Net interest   | - 18,851      | - 15,903      |
| Other financial results  | 174           | 100           |
| <b>Earnings before tax (EBT)</b>                                     | <b>62,750</b> | <b>65,764</b> |

#### 8. EQUITY

The Annual General Meeting passed a resolution on 16 June 2010 to expand the articles of association for conditional capital in Article 3 (6). The nominal capital has been increased conditionally by up to €6,900 thousand by issuing up to 6,900,000 new registered Class A shares. The increase was entered in the commercial register on 21 July 2010.

The change of €8,215 thousand in the reserve for translation differences results mainly from exchange rate movements for the Ukrainian hryvnia.

The components and development of HHLA's equity for the first six months of 2010 and 2009 are presented in the statement of changes in equity.

#### 9. PENSION PROVISIONS

The calculation of pension provisions as of 30 June 2010 was based on an interest rate of 4.75 % (31 December 2009: 4.75 %; 30 June 2009: 6.00 %). As a result of adjustments to other measurement parameters there were changes in the actuarial gains or losses that are posted to equity without effect on income in the reporting period from 1 January 2010 to 30 June 2010.

Consequently, the actuarial gains or losses offset in equity developed as follows:

| IN € THOUSAND                                   | 2010            | 2009             |
|---|-----------------|------------------|
| <b>Accumulated actuarial gains on 1 January</b> | - 56,253        | - 79,865         |
| Change in financial year                        | - 583           | - 20,204         |
| <b>Accumulated actuarial gains on 30 June</b>   | <b>- 56,836</b> | <b>- 100,069</b> |

#### 10. INVESTMENTS

As of 30 June 2010, total investments throughout the HHLA Group amounted to €65.9 million.

Lease agreements exist between the Free and Hanseatic City of Hamburg and HPA, and the HHLA Group for quay walls in the Port of Hamburg. In the past these agreements have been classified as operating leases. Negotiations are currently taking place with HPA, a related party of HHLA, on the use of a new quay wall in the Port of Hamburg. Based on the state of negotiations for the lease of another berth at CTB as well as for probably all new berth places at the time these interim consolidated financial statements were prepared, the lease is to be classified as a finance lease in accordance with IAS 17. A corresponding asset and liability were recognized for the first time for €30,359 thousand as of 1 June 2010.

The largest investments up to the end of the second quarter of 2010 were made in the Container and Intermodal segments.

Of the most significant investment commitments as of 30 June 2010, €63.7 million were accounted for by the Container segment and €8.0 million by the Logistics segment.

#### 11. LITIGATION

Companies within the HHLA Group were involved in legal disputes within the scope of their commercial activities as of 30 June 2010. As of the balance sheet date there are no legal disputes which could have a substantial effect on the Group's financial position.

Appropriate provisions for the risks and costs of litigation have been made to cover any financial expense from court proceedings if the event took place before the balance sheet date and the company's legal representatives estimate the probability of an outflow of economic resources at more than 50 %.

#### 12. EVENTS AFTER THE BALANCE SHEET DATE


There were no transactions of special significance after the balance sheet date of 30 June 2010.

## Assurance of the legal representatives

We herewith give our assurance that, to the best of our knowledge, the consolidated interim financial statements convey a true and fair view of the net assets, financial position and results of operations of the Group in accordance with the applicable accounting principles, and that in the Group management report for the interim period the course of business, including the business earnings, and the situation of the Group are described such that a true and fair view is conveyed, and that there is a description of the principal opportunities and risks of probable development of the Group in the remainder of the financial year.

Hamburg, 13 August 2010

HAMBURGER HAFEN UND LOGISTIK AKTIENGESELLSCHAFT

 Klaus-Dieter Peters  Dr. Stefan Behn  Heinz Brandt  Dr. Sebastian Jürgens  Dr. Roland Lappin

### NOTE

For specialist terminology and financial terms see the annual report 2009, page 198 f.

## Review report

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, cash flow statement, statement of changes in equity and selected explanatory notes - together with the interim group management report of the Hamburger Hafen und Logistik Aktiengesellschaft, Hamburg, for the period from January 1, 2010 to June 30, 2010 that are part of the semi annual financial report according to § 37 w WpHG [“Wertpapierhandelsgesetz”: “German Securities Trading Act”]. The preparation of the condensed interim consolidated financial statements in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the Company’s management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We performed 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 Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material aspects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, and that the interim group management report has not been prepared, in material aspects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor’s report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Hamburg, 13 August 2010

KPMG AG  
Wirtschaftsprüfungsgesellschaft

|                   |                     |
|-------------------|---------------------|
| Ditting           | Retzlaff            |
| Wirtschaftsprüfer | Wirtschaftsprüferin |

# FINANCIAL CALENDAR

12 November 2010

**INTERIM REPORT JANUARY – SEPTEMBER 2010**

March 2011

**ANNUAL REPORT 2010**

May 2011

**INTERIM REPORT JANUARY – MARCH 2011**

June 2011

**ANNUAL GENERAL MEETING**

August 2011

**INTERIM REPORT JANUARY – JUNE 2011**

November 2011

**INTERIM REPORT JANUARY – SEPTEMBER 2011**

# IMPRINT

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