Real Estate Segment

Key Figures

in Mio. €	2015	2014	Change
Revenue	36.5	33.5	9.0 %
EBITDA	20.2	17.9	12.7 %
EBITDA margin in %	55.4	53.6	1.8 pp
EBIT	15.2	13.4	13.2 %
EBIT margin in %	41.5	40.0	1.5 pp

Hamburg's office rental market stabilised considerably over the course of the year. According to the market overview by Grossmann & Berger, 540,000 m^2 of space was let in 2015 – a slight increase of almost 3 % over the prior-year figure. Even taking into account the relatively high proportion of owner-occupied properties, the total amount of space let exceeded that of 2014.

According to Jones Lang LaSalle, Hamburg's vacancy rate at the end of the fourth quarter of 2015 was 5.9 %, and thus significantly below the prior-year figure (6.8 %). In view of the completion of numerous larger projects, however, the trend forecast anticipates an increase in the vacancy rate for the first time in several quarters.

HHLA's properties in the Speicherstadt historical warehouse district and the fish market area continued their positive revenue development in this market environment. In 2015, revenue was increased by 9.0 % year-on-year to € 36.5 million (previous year: € 33.5 million). Ongoing project developments in the Speicherstadt historical warehouse district and consistently high occupancy rates in both districts continued to pave the way for this success.

The operating result (EBIT) increased strongly by 13.2 % year-on-year to € 15.2 million (previous year: € 13.4 million). Due to planned maintenance work, earnings growth slowed slightly in the fourth quarter. Earnings for the past financial year include extraordinary income of € 0.9 million. The EBIT margin of 41.5 % achieved in the reporting period (previous year: 40.0 %) is once again testimony to the economic success of HHLA's long-term, value-oriented portfolio development strategy.

The company has owned the Speicherstadt historical warehouse district for more than 130 years. In July 2015, this historical warehouse district – along with the Kontorhaus area – was designated as a UNESCO World Heritage Site. This provides exceptional confirmation of HHLA's strategy of further developing the Speicherstadt whilst maintaining its historical and cultural heritage.

Events after the Balance Sheet Date

The Ukrainian currency – the hryvnia – depreciated by approximately 10 % against the euro between the reporting date and the end of February. In addition to these exchange rate effects, which could have a negative impact on the HHLA Group's financial position and performance, adjustments to the carrying amounts of assets can still not be excluded due to the economic trend and deterioration of economic conditions in Ukraine.

There were no other transactions of special significance after the balance sheet date 31 December 2015.

Business Forecast

Macroeconomic Environment

The global economy is experiencing moderate growth. Although many early indicators signal a revival of the global economy in the forecast period, the International Monetary Fund (IMF) believes that this upturn will be weaker than forecast in October 2015. The institute has therefore lowered its forecast for global GDP in 2016 by 0.2 percentage points and now expects growth of 3.4 %. The IMF has also downgraded its current forecast for global trade by 0.7 percentage points and now expects more moderate growth of 3.4 %.

Growth Expectations for GDP

in %	2016	Trend vs. 2015
World	3.4	↗
Advanced economies	2.1	↗
USA	2.6	↗
Emerging economies	4.3	↗
China	6.3	↘
Russia	- 1.0	↗
Eurozone	1.7	↗
Central and Eastern Europe (emerging european economies)	3.1	↘
Germany	1.7	↗
World trade	3.4	↗

Source: International Monetary Fund (IMF); as of January 2016

Sentiment indicators in the advanced economies point to a slight economic upturn. The upturn is expected to be driven above all by an expansionary monetary policy and low oil prices. However, low commodity prices – combined with structural problems in the producing countries – are at the same time slowing economic development in the emerging economies, though the fundamental trend remains positive. According to the IMF, the Chinese economy will continue to slow down as a result of politically initiated structural changes. In light of the revenue shortfalls from crude oil exports, isolation from the