Notes to the Consolidated Financial Statements

General Notes

1. Basic Information on the Group

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

Since 1 January 2007, the HHLA Group has consisted of the Port Logistics subgroup (A division) and the Real Estate subgroup (S division). The part of the Group that deals with the property in Hamburg's Speicherstadt historical warehouse district and Fischmarkt Hamburg-Altona GmbH is allocated to the Real Estate subgroup (S division). All other parts of the company are allocated together to the Port Logistics subgroup (A division). Individual Financial Statements are prepared for each division to determine the shareholders' dividend entitlements; these, in line with the company's articles of association, form part of the Notes to the Annual Financial Statements of the parent company.

Information concerning the segments in which the HHLA Group operates is provided in ▶ Note 44, page 129.

When the shareholders' dividend entitlements are being determined, the expenses and income of HHLA which cannot be attributed directly to one subgroup are divided between the two subgroups according to their shares of revenue. All transfer pricing for services between the two subgroups takes place on an arm's length basis. Interest must be paid at market rates on liquid funds exchanged between the two subgroups. A notional taxable result is calculated for each subgroup to allocate the taxes paid. The resulting notional tax payment represents the amount of tax which would have been paid had each of the subgroups been separately liable for tax.

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

HHLA's Consolidated Financial Statements for the 2015 financial year were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) which apply in the European Union. The provisions contained in Section 315a (1) of the German Commercial Code (HGB) and additional commercial law regulations were also taken into account. The IFRS requirements have been met in full and result in a true and fair view of the net assets, earnings and financial position of the Group.

For the most part, the accounting and valuation policies, notes and disclosures about the Consolidated Financial Statements for the 2015 financial year are based on the same accounting and valuation principles used for the 2014 Consolidated Financial Statements. Exceptions are the effects of new IFRS accounting standards stated in ▶ Note 5, page 87. Use of the latter became mandatory for the Group on 1 January 2015. The accounting and valuation principles applied are explained in ▶ Note 6, page 90.

The financial year as reported by HHLA and its consolidated subsidiaries is the calendar year. The Consolidated Financial Statements and the disclosures in the Notes have been prepared in euros. Unless otherwise stated, all amounts are in thousands of euros (€ thousand). Due to the use of rounding procedures, it is possible that some figures do not add up to the stated sums.

These HHLA Consolidated Financial Statements for the financial year ending 31 December 2015 were approved by the Executive Board on 2 March 2016 for presentation to the Supervisory Board. It is the Supervisory Board's responsibility to examine the Consolidated Financial Statements and to state whether or not it approves them.

2. Consolidation Principles

The Consolidated Financial Statements include the Financial Statements of HHLA and its significant subsidiaries as of 31 December of each financial year. The assets and liabilities of the domestic and foreign companies consolidated in full or using the equity method are recognised in accordance with the uniform accounting principles applied in the HHLA Group.

Capital is consolidated at the time of acquisition by setting off the acquisition costs of the investment against the pro rata fair values of the assets acquired and the liabilities and contingent liabilities assumed. Previously unreported intangible assets which can be included in the accounts under IFRS 3 in conjunction with IAS 38, and contingent liabilities are recognised at fair value.

Any positive difference arising in the course of this initial consolidation is capitalised as goodwill and subjected to an annual impairment test. Following a critical assessment, any negative difference is posted to profit and loss. For a detailed explanation of the impairment testing procedure used, please refer to ▶ Note 6, page 90 and Note 7, page 98.

Equity interests held by third parties outside the Group are shown in the balance sheet under the item non-controlling interests within equity capital. ▶ see also Note 3, page 83

The acquisition of additional non-controlling interests in consolidated companies is treated as an equity transaction in line with the entity concept and therefore set off directly against equity.

Gains or losses from the disposal of non-controlling interests in consolidated companies are likewise recognised directly in equity without effect on profit and loss insofar as the transaction does not lead to a loss of control. In the case of a loss of control, the remaining interests are measured at fair value or, if applicable, using the equity method.

The effects of intra-Group transactions are eliminated in full.

3. Make-Up of the Group

Group of Consolidated Companies

The group of consolidated companies at HHLA comprises a total of 30 domestic and nine foreign companies. For a complete list of equity investments in accordance with Section 313 (2) of the German Commercial Code (HGB), see also ▶ Note 48, page 141. The information provided here about the equity and annual net profit recorded by the various companies is taken from the respective Annual Financial Statements, which were prepared in line with national accounting regulations. Information required under IFRS 12.10 and IFRS 12.21 is also included in the details of shareholdings.

Consolidated Companies

	Domestic	Foreign	Total
HHLA AG and fully consolidated companies			
1 January 2015	23	8	31
Additions	0	1	1
31 December 2015	**23**	**9**	**32**
Companies reported using the equity method			
1 January 2015	7	0	7
31 December 2015	**7**	**0**	**7**
Total 31 December 2015	30	9	39

Subsidiaries

The Consolidated Financial Statements comprise the Financial Statements for Hamburger Hafen und Logistik AG and its significant subsidiaries. Subsidiaries are companies controlled by the Group. The Group is deemed to control a company if it has an exposure or right to fluctuating returns resulting from its involvement in the investee and if it can also use its power over the investee to affect these returns. In particular, the Group controls an investee if – and only if – all of the characteristics listed in IFRS 10.7 apply. Subsidiaries' Financial Statements are included in the Consolidated Financial Statements from the time when control begins until the time when control ends.

Non-controlling interests are valued at the time of acquisition using the relevant share of the acquired company's identifiable net assets. Changes in the Group's shareholding in a subsidiary which do not lead to a loss of control are recorded in the balance sheet as equity transactions.

Subsidiaries with Substantial Non-controlling Interests

Subsidiary	Headquarters	Segment	Equity stake	
			2015	2014
HHLA Container Terminal Altenwerder GmbH	Hamburg, Germany	Container	74.9 %	74.9 %
METRANS a.s.	Prague, Czech Republic	Intermodal	86.5 %	86.5 %

Financial Information about the Subsidiaries with Substantial Non-controlling Interests

	HHLA Container Terminal Altenwerder GmbH		METRANS a.s.	
in € thousand	2015	2014	2015	2014
Percentage of non-controlling interests	25.1 %	25.1 %	13.5 %	13.5 %
Non-current assets	91,621	101,428	234,262	198,061
Current assets	129,319	179,717	63,794	52,337
Non-current liablities	51,244	58,373	114,239	65,885
Current liabilities	91,751	144,696	33,911	51,944
Net assets	**77,945**	**78,076**	**149,906**	**132,569**
Book value of non-controlling interests	- 7,045	- 3,910	28,073	25,775
Revenue	227,182	260,755	217,583	217,438
Annual net profit	- 26	- 429	32,378	23,293
Other comprehensive income	- 104	- 522	0	0
Total comprehensive income	**- 130**	**- 951**	**32,378**	**23,293**
of which attributable to non-controlling interests	- 33	- 239	4,360	3,136
of which attributable to shareholders of the parent company	- 97	- 712	28,018	20,157
Cash flow from operating activities	78,797	108,819	50,684	26,282
Settlement obligation/intended dividend to holders of non-controlling interests	- 21,627	- 30,307	- 2,061	- 1,387

Interests in Joint Ventures

The Group holds interests in joint ventures. As per IFRS 11, a joint venture is subject to a joint contractual agreement between two or more parties to carry on an economic activity which is subject to joint control. Joint control is the contractually agreed division of managerial responsibilities for this arrangement. It only exists if the decisions associated with this business activity require the unanimous consent of the parties involved in joint management.

The HHLA Group holds more than half of the voting rights in the companies HHLA Frucht, STEIN and Hamburg Vessel Coordination Center (formerly: Feeder Logistik Zentrale), yet has no controlling influence as the companies are effectively jointly managed. This is due primarily to the equal representation of the essential corporate bodies (management and/or Supervisory Board).

Aggregate Financial Information about individually not material Joint Ventures

in € thousand	2015	2014
Group share of profit or loss	3,023	4,344
Group share of other comprehensive income	434	- 362
Group share of comprehensive income	3,457	3,982

No unrecorded losses relating to joint ventures were incurred either in the reporting year or on a cumulative basis.

Aggregate Book Value of Joint Ventures

in € thousand	31.12.2015	31.12.2014
Aggregate book value	9,303	8,749

Interests in Associated Companies

Companies designated as associated companies are those where the shareholder has a material influence. At the same time, it is neither a subsidiary nor an interest in a joint venture. A material influence is assumed when it is possible to be involved in the associated company's financial and commercial decisions without exercising a controlling influence. This is generally the case when 20 to 50 % of the voting rights are held, either directly or indirectly.

HHLA does not provide information on associated companies as per IFRS 12 because the relevant company is of minor importance overall for the Group as a whole. HHLA does not believe that this has a negative impact on the statement concerning the nature of interests in other companies and the associated risks. The effects of these interests on the HHLA Group's net assets, earnings and financial position are likewise insignificant.

Accounting for Interests in Joint Ventures and Associates

Interests in joint ventures and associates are accounted for using the equity method. With the equity method, the share in each joint ventures and/or associated company is first stated at acquisition cost. Instead of being amortised, any goodwill recognised within the carrying amount of the investment when it is reported in the balance sheet for the first time is subject to an impairment test for the entire carrying amount of the investment if there are any indications of possible impairment.

As from the acquisition date, HHLA's interest in the results of the joint venture or associated company is recorded in the consolidated income statement, while its interest in changes in equity is recorded directly in consolidated equity. These cumulative changes affect the carrying amount of the interest in the joint venture or associated company. As soon as HHLA's share in the company's losses exceeds the carrying amount of the investment, however, HHLA records no further shares in the losses unless HHLA has entered into obligations to that effect or has made payments for the joint venture or associated company.

Significant results from transactions between HHLA and the joint venture or associated company are eliminated in proportion to the interest in the company.

Company Acquisitions, Disposals and Other Changes to the Group of Consolidated Companies

In the first quarter of 2015, METRANS (Danubia) Kft., Gyor, Hungary, which is not included in HHLA's group of consolidated companies, acquired 100 % of the shares in both Univer Trans Kft, Budapest, Hungary, and Loacker Konténer Kft., Budapest, Hungary.

The real estate company Loacker Konténer Kft. was renamed METRANS Konténer Kft. in the second quarter of 2015. METRANS (Danubia) Kft. subsequently sold all of the shares in METRANS Konténer Kft. and all of the shares in Univer Trans Kft. to METRANS (Danubia) a.s., Dunajská Streda, Slovakia, which is part of HHLA's consolidated group.

Real Estate company METRANS Konténer Kft. was included in HHLA's Consolidated Financial Statements for the first time as of 30 June 2015.

There were no other significant acquisitions, disposals of shares in subsidiaries or changes to the group of consolidated companies.

4. Foreign Currency Translation

Monetary assets and liabilities in Separate Financial Statements for the consolidated companies which are prepared in a foreign currency are converted to local currency at the rate applicable on the balance sheet date. The resulting currency differences are recognised in the result for the period. Exceptions are currency differences from loans in foreign currencies used to secure a net investment in a foreign business. These are recognised directly in equity until the net investment is sold and only affect the result for the period on disposal of the net investment.

Non-monetary items held at historical cost in a foreign currency are translated at the applicable rate on the transaction date. Non-monetary items held at fair value in a foreign currency are translated at the rate applicable on the date fair value was measured.

Exchange rate gains and losses recognised in the income statement on foreign currency items resulted in a loss of € 8,157 thousand in the financial year (previous year: € 11,931 thousand). The decline in expenses (€ 8,207 thousand; previous year: € 11,338 thousand) was primarily due to the devaluation of the Ukrainian currency, which was not as pronounced as in the previous year. This lost around 27 % against the euro compared with 31 December 2014 (previous year: 42 % compared with 31 December 2013). At the same time, this reduced equity by € 11,530 thousand (previous year: € 31,413 thousand), which also had a negative impact on the HHLA Group's net assets, earnings and financial position.

The concept of functional currency according to IAS 21 is applied when translating all Annual Financial Statements of foreign affiliates prepared in a foreign currency. As the subsidiaries in question are generally independent in terms of their financial, economic and organisational activities, the functional currency is the respective national currency. As of the balance sheet date, the assets and liabilities of these subsidiaries are converted to euros at the rate prevailing on the reporting date. Income and expenses are translated at the weighted average rate for the financial year. Equity components are converted at their respective historical rates. Any translation differences are recognised as a separate component of equity without effect on profit and loss. If Group companies leave the group of consolidated companies, the associated translation difference is reversed through profit and loss.

Foreign Currency Translation

		Spot rate = 1€		Average annual rate = 1€	
Currency	ISO code	31.12.2015	31.12.2014	2015	2014
Czech crown	CZK	27.023	27.735	27.302	27.546
Polish zloty	PLN	4.264	4.273	4.193	4.192
Ukrainian hryvnia	UAH	26.223	19.233	24.016	15.638
Georgian lari	GEL	2.617	2.266	2.513	2.345

5. Effects of New Accounting Standards

Revised and new IASB/IFRIC standards and interpretations that were mandatory for the first time in the financial year under review:

Standard	Content and Significance
IFRIC 21 Levies	The interpretation published in May 2013 clarifies when a company should recognise a liability to pay a levy imposed by the respective authorities. The interpretation is mandatory for financial years beginning on or after 17 June 2014. The HHLA Group holds significant property and is therefore subject to property tax, a levy within the meaning of IFRIC 21. The test to determine whether and when a liability must be recognised for property tax did not have any impact on HHLA's Consolidated Financial Statements. There is no obligation to pay property tax as of the reporting date since the financial year corresponds to the calendar year.
Improvements to IFRS 2011–2013 Cycle	The annual round of improvements published in December 2013 affects the following standards: IFRS 1 First-time Adoption of IFRS, IFRS 3 Business Combinations, IFRS 13 Fair Value Measurement and IAS 40 Investment Property. The amendments apply to reporting years which begin on or after 1 July 2014. IFRS 3, IFRS 13 and IAS 40 were adopted into European law with Commission Regulation No 2014/1361 of 18 December 2014. These were therefore applied by HHLA in financial year 2015; there was no effect on the Consolidated Financial Statements.

Amendments to standards that can be applied on a voluntary basis for the financial year under review that were not adopted by HHLA:

Standard	Content and Significance
Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations	In May 2014, the IASB approved amendments to IFRS 11 Joint Arrangements. The amendments include clarification of how the acquisition of interests in a joint operation should be reported in the balance sheet. These amendments should be taken into account for financial years beginning on or after 1 January 2016. Early adoption is permitted. The impact on HHLA's Consolidated Financial Statements is currently being examined.
Amendments to IAS 1 Disclosure Initiative	The standard published in December 2014 clarifies how to exercise discretion in the presentation of financial statements. The amendments take effect for financial years that begin on or after 1 January 2016. Early adoption is permitted. The impact of these amendments on HHLA's Consolidated Financial Statements is currently being examined.
Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation	The IASB approved amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets on 12 May 2014. The amendments provide guidance on which methods of depreciation and amortisation can be used for property, plant and equipment and intangible assets. EC Regulation 2015/2231 provides for application in financial years beginning on or after 1 January 2016. These clarifications have no impact on HHLA's Consolidated Financial Statements.
Amendments to IAS 19 Defined Benefit Plans: Employee Contributions	The amendments published in November 2013 clarify a number of requirements laid out in IAS 19. The company will continue to deduct contributions paid by employees themselves or third parties for benefit plans offered by the company from the service cost in the future. This only applies if there is no link between the amount of the contributions and the employee's years of service. The amendments can be applied to financial years beginning on or after 1 July 2014. According to Commission Regulation 2015/29 from 17 December 2014, the amendments must be applied to financial years beginning on or after 1 February 2015. This clarification will not have any impact on HHLA's Consolidated Financial Statements.
Improvements to IFRS 2010–2012 Cycle	The annual round of improvements published in December 2013 affects the following standards: IFRS 2 Share-based Payment, IFRS 3 Business Combinations, IFRS 8 Operating Segments, IFRS 13 Fair Value Measurement, IAS 16 Property, Plant and Equipment, IAS 24 Related Party Disclosures and IAS 38 Intangible Assets. The amendments take effect for financial years that begin on or after 1 July 2014. Commission Regulation 2015/28 stipulates that IFRS 2, 3 and 8 as well as IAS 24 must be applied to financial years beginning on or after 1 February 2015. HHLA does not anticipate any significant effects for the Consolidated Financial Statements.
Improvements to IFRS 2012–2014 Cycle	The IASB published the 2012–2014 round of improvements on 24 September 2014, which affects to the following standards: IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, IFRS 7 Financial Instruments: Disclosures, IAS 19 Employee Benefits and IAS 34 Interim Financial Reporting. The amendments apply to reporting years which begin on or after 1 January 2016. They were adopted by the EU in Regulation 2015/2343, with provides for mandatory application in financial years beginning on or after 1 January 2016. These improvements will not have any impact on HHLA's Consolidated Financial Statements.

IASB standards and interpretations that have not yet been adopted by the EU and have not been applied:

Standard	Content and Significance
IFRS 9 Financial Instruments	IFRS 9 Financial Instruments was finalised by the IASB in July 2014. This standard aims to simplify the requirements for reporting financial instruments in the balance sheet. Adoption is expected to be mandatory for financial years which begin on or after 1 January 2018. Early adoption is permitted. The impact of IFRS 9 on HHLA's Consolidated Financial Statements is currently being examined.
IFRS 15 Revenue from Contracts with Customers	The IASB adopted the IFRS 15 standard, Revenue from Contracts with Customers, in May 2014. This stipulates the amount and timing of revenue reporting and what information must be disclosed. It replaces the existing guidelines on revenue recognition, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. The amendment to IFRS 15 published in September 2015 postponed the effective date from 1 January 2017 to financial years beginning on or after 1 January 2018, subject to adoption into EU law. As a general rule, initial application is retrospective, although various simplification options are available; early adoption is still permitted. The HHLA Group cannot yet conclusively determine the effects of the initial application of the standard.
IFRS 16 Leases	The IASB published IFRS 16 Leases in January 2016. This standard supersedes the previously valid IAS 17 Leases and introduces significant accounting changes for lessees. As a general rule, all leases must now be recognised using the right of use approach. Under IFRS 16, lessors will continue to classify leases as operating or finance in line with IAS 17. The new rules aim to help improve the transparency of financial reporting and break down existing information imbalances. The effective date is 1 January 2019. Earlier adoption is permitted if IFRS 15 Revenue from Contracts with Customers is already applied. The HHLA Group cannot yet conclusively determine the effects of the initial application of the standard.
Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The IASB approved amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in September 2014. These clarify how unrealised gains from transactions between an investor and a joint venture or an associate should be reported. The EFRAG announced in February 2015 that the process of endorsing these amendments had been suspended for the time being because inconsistencies had been identified between the amended standard and the existing IAS 28. The effective date – previously 1 January 2016 – has been postponed indefinitely until the inconsistencies have been resolved.

Standards and interpretations that have no relevance for HHLA's Consolidated Financial Statements:

Standard	Content and Significance
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception
IFRS 14	Regulatory Deferral Accounts
Amendments to IAS 27	Equity Method in Separate Financial Statements

6. Accounting and Valuation Principles

The Annual Financial Statements of the companies included in the Consolidated Financial Statements are based on uniform accounting and valuation principles. The following specific accounting and valuation principles were applied.

Intangible assets

Intangible assets are capitalised if the assets are identifiable, a future inflow of benefits can be expected and the acquisition and production costs can be ascertained reliably. Intangible assets acquired in return for payment are recognised at historical cost. Intangible assets with a finite useful life are amortised over their useful life on a straight-line basis. The Group reviews the underlying amortisation methods and the useful lives of its intangible assets with a finite useful life as of each balance sheet date.

Intangible assets with an indefinite useful life are subjected to an impairment test at least once a year. If necessary, value adjustments are made to future expectations. In the reporting period there were no intangible assets with an indefinite useful life apart from derivative goodwill.

Internally generated intangible assets are recognised at the costs incurred in their development phase between the time when technological and economic feasibility is determined and production. Costs include all directly attributable costs incurred during the development phase.

The capitalised amount of development costs is subject to an impairment test at least once per year if the asset is not yet in use or if there is evidence of impairment during the course of the year.

Useful Life of Intangible Assets

in years	2015	2014
Software	3 – 7	3 – 7

Property, Plant and Equipment

Property, plant and equipment is reported at the acquisition or production cost less accumulated depreciation, amortisation and impairment. The costs of ongoing maintenance are recognised immediately in profit and loss. The production costs include specific expenses and appropriate portions of attributable production overheads. Demolition obligations are included in the acquisition or production costs at the present value of the obligation as of the time when it arises and an equivalent provision is recognised at the same time. The HHLA Group does not use the revaluation method of accounting. The carrying amounts for property, plant and equipment are tested for impairment if there is evidence that the carrying amount exceeds the recoverable amount.

Depreciation is carried out on a straight-line basis over an asset's useful life. The following table shows the principal useful lives which are assumed.

Useful Life of Property, Plant and Equipment

in years	2015	2014
Buildings	10 – 70	10 – 70
Technical equipment and machinery	5 – 25	5 – 25
Other plant, operating and office equipment	3 – 15	3 – 15

Borrowing Costs

According to IAS 23, borrowing costs which can be directly attributed to the acquisition or production of a qualifying asset are capitalised as a component of the acquisition or production cost of the asset in question. Borrowing costs which cannot be directly attributed to a qualifying asset are recognised as an expense at the time they are incurred.

Investment Property
Investment property consists of buildings held for the purpose of generating rental income or for capital gain, and not for supplying goods or services, for administrative purposes or for sale as part of normal business operations.

IAS 40 stipulates that investment property be held at acquisition or production cost less accumulated depreciation and accumulated impairment losses. Subsequent expenses are capitalised if they result in an increase in the investment property's value in use. The useful lives applied are the same as those for property, plant and equipment used by the Group.

The fair values of these properties are disclosed separately in ▶ Note 24, page 111.

The carrying amounts for investment property are tested for impairment if there is evidence that the carrying amount exceeds the recoverable amount.

Impairment of Assets
As of each balance sheet date the Group determines whether there are any indications that an asset may be impaired. If there are such indications, or if an annual impairment test is required, as in the case of goodwill, the Group estimates the recoverable amount. This is ascertained as the higher of the fair value of the asset less selling costs and its value in use. The recoverable amount must be determined for each asset individually unless the asset does not generate cash inflows which are largely independent of those generated by other assets or groups of assets. In this case the recoverable amount of the smallest cash-generating unit (CGU) must be determined. If the carrying amount of an asset exceeds its recoverable amount, the asset is deemed to be impaired and is written down to its recoverable amount. The fair value less selling costs and value in use of the cash-generating unit or asset is calculated using the discounted cash flow method. This involves discounting estimated future cash flows to their present value using a discount rate after tax which reflects current market expectations of the interest curve and the specific risks of the asset. As of the balance sheet date, the interest rate for discounting was between 5.0 and 6.3 % p. a. (previous year: 5.1 to 6.5 % p. a.). The discount rate used for CGU SC HPC Ukraina in the reporting year was 19.4 % p. a. (previous year: 19.7 % p. a.). Future cash flows are calculated on the basis of the cash flow forecasts in the Group's current plans for the next five years. If new information is available when the Financial Statements are produced, it is taken into account. Growth factors of 1.0 % (previous year: 1.0 %) were applied in the reporting year. When forecasting cash flows the Group takes future market and sector expectations as well as past experience into account in its planning.

On each reporting date an assessment is made as to whether an impairment loss recognised in prior periods no longer exists or has decreased. If there are such indications, the recoverable amount is estimated. Previously recognised impairment losses are reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset is raised to its recoverable amount. This higher carrying amount may not exceed the amount which would have been determined, less depreciation or amortisation, if no impairment losses had been recognised in prior years. Any such reversals must be recognised immediately in profit and loss for the period. Following a reversal, the amount of depreciation or amortisation must be adjusted in subsequent periods in order to write down the adjusted carrying amount of the asset, less any residual value, systematically over its remaining useful life.

Impairment losses on goodwill are not reversed.

Financial Assets
Financial assets as defined by IAS 39 are classified as financial assets at fair value through profit and loss, loans and receivables, investments held to maturity or available-for-sale financial assets.

Financial assets are initially recognised at fair value. In the case of financial investments for which no fair value through profit and loss is determined, directly attributable transaction costs are also included. The Group defines the classification of its financial assets on initial recognition and reviews this classification every year insofar as this is permitted and appropriate.

Financial assets are valued as of their settlement date, i.e. upon delivery and transfer of risk. The only exception is the valuation of derivatives, which are measured as of the trading day.

Financial Assets at Fair Value through Profit and Loss
Derivative financial instruments are classified as held for trading unless they are derivatives designated and effective as hedging instruments. Gains or losses from financial assets held for trading are recognised in profit and loss.

Loans and Receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. These assets are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in the result for the period when the loans and receivables are derecognised or impaired and within the scope of repayment.

This category generally also includes trade receivables, receivables from related parties and other financial receivables. These are reported at amortised cost less allowances for doubtful receivables. Write-downs are made if there is substantial objective evidence that the Group will not be able to collect the receivables. Receivables are derecognised as soon as they are deemed to be irrecoverable. Examples of objective evidence are manifest shortages of liquid funds or the institution of insolvency proceedings against a customer. When assessing such situations, HHLA draws on its own data about the specific customer, external information and figures derived from experience.

Cash, cash equivalents and short-term deposits also included in this category are cash in hand, cheques, bank balances on deposit and short-term bank deposits which have a maturity of up to twelve months and which are recognised at their face value. Cash used as a pledge or collateral is disclosed separately.

Financial Investments Held to Maturity
Non-derivative financial assets with fixed or calculable payments and fixed maturities are classified as held-to-maturity financial investments if the Group intends to hold them until maturity and is capable of doing so. The Group had no held-to-maturity financial investments during the financial years ended 31 December 2015 and 2014.

Available-for-Sale Financial Assets
Following their initial recognition, available-for-sale financial assets are measured at fair value on each balance sheet date. The gains or losses arising as a result are taken directly to equity, where they are recorded in a separate reserve. The reserve is reversed through profit and loss on disposal of the financial asset. If impairment losses are recorded based on objective evidence of impairment as per IAS 39.59 rather than valuation-based considerations alone, the impairment must be recognised in the income statement.

The fair values of financial instruments traded on organised markets are determined by reference to the prices quoted on the stock exchange on the balance sheet date. The fair values of financial instruments for which there is no active market are estimated using valuation methods. If the fair values cannot be determined reliably because they are not traded on an active market, they are valued at cost. This applies in particular to non-consolidated interests in affiliated companies and other equity investments.

Impairment of Financial Assets
On each balance sheet date the Group determines whether a financial asset or a group of financial assets is impaired.

Assets Carried at Amortised Cost
If there is an objective indication of impairment to loans and receivables carried at amortised cost, the loss is calculated as the difference between the carrying amount of the asset and the present value of expected future cash flows (excepting future credit defaults), discounted by the original effective interest rate of the financial asset (i.e. the interest rate determined on initial recognition). The amount of the loss must be recognised immediately in profit and loss. If the amount of the write-down decreases in one of the following reporting periods and this decrease can be ascribed objectively to circumstances occurring after the impairment was recognised, then the earlier impairment is reversed. A subsequent reversal of the impairment loss is recognised in profit and loss if the carrying amount of the asset at the time of the reversal does not exceed the amortised cost.

Assets Recognised at Cost
If there is an objective indication of impairment to a non-listed equity instrument that is not recognised at fair value because its fair value cannot be determined reliably, the amount of the write-down is the difference between the carrying amount of the financial asset and the present value of the estimated future cash flows, discounted at the current market rate of return for a comparable financial asset.

Available-for-Sale Financial Assets
If an available-for-sale financial asset is impaired, the difference recognised in equity between the acquisition cost (less any repayments and amortisation) and the current fair value, less any impairment allowances for the financial asset, is recognised in the income statement. Reversals of impairment losses on equity instruments classified as available for sale are recorded directly in equity. Impairment of debt instruments is reversed in profit and loss if the increase in the instrument's fair value can objectively be ascribed to an event which occurred after the impairment was recognised through profit and loss.

Inventories
Inventories include raw materials, consumables and supplies, work in progress, finished products and merchandise. They are initially recognised at acquisition or production cost. Measurement at the balance sheet date is made at the lower of cost and net realisable value. Standard sequence of consumption procedures are not used for valuation. Service work in progress is valued using the percentage of completion method if the result of the service transaction can be estimated reliably. Net realisable value corresponds to the estimated sales proceeds in the course of normal operations, less costs until completion and sale.

Liabilities
At initial recognition, financial liabilities are measured at the fair value of the equivalent goods or services received less transaction costs related to borrowing, including discounts and premiums.

After initial recognition, financial liabilities are measured at amortised cost using the effective interest rate method.

This does not apply to derivatives recorded as liabilities, which are carried at fair value.

Throughput-Dependent Share of Earnings Attributable to Non-Controlling Interests
Background
In the 2010 financial year, profit and loss transfer agreements were signed between the subsidiaries HHLA Container-Terminal Altenwerder GmbH, Hamburg, (CTA) and HHLA CTA Besitzgesellschaft mbH, Hamburg, (CTAB) on the one hand and HHLA Container Terminals Gesellschaft mit beschränkter Haftung, Hamburg, (HHCT) on the other. In the profit and loss transfer agreements, HHCT pledges to pay a financial settlement to the non-controlling interest in the above-mentioned companies for the duration of the agreement. The amount of the financial settlement is based largely on earnings and the throughput handled. Should throughput reach a certain level, it is possible for the proportion of earnings allocated to the financial settlement to exceed the share which would result from the non-controlling shareholder's stake in the companies. The profit and loss transfer agreements have been concluded for a fixed term for the financial years 2010 to 2014 (i.e. regular termination is impossible). A contract duration of five years was therefore assumed. Unless the profit and loss transfer agreement is terminated, it will be extended for a further year at the end of this period. CTA merged with CTAB with retroactive effect as of 1 January 2014 based on a merger agreement dated 5 August 2014. As a result, there is now just one profit and loss transfer agreement.

Classification as a Compound Financial Instrument
As profit and loss transfer agreements have been concluded, the interest held by the non-controlling shareholder is classified as a compound financial instrument as per IAS 32.28 because it contains both debt and equity components. These components must be split and entered as either equity or borrowed capital depending on their classification.

Initial Measurement
When it was first entered in 2010, the amount of equity to be to reported for the non-controlling interests was calculated by deducting the fair value of the debt component. The fair value of the debt component in the form of these financial settlements was established by discounting the anticipated resulting cash outflows during the five-year term of the profit and loss transfer agreement.

When this debt component was first recorded under other financial liabilities Note 38, it was recognised directly in equity and reduced non-controlling interests within equity as a result Note 35.

From the 2014 financial year onwards, extending the profit and loss transfer agreement gives rise to an obligation to pay a financial settlement for the following year. The profit and loss transfer agreement was not terminated in 2015. This means the company has a further obligation to pay a financial settlement for the 2016 financial year. This obligation must also be reported at fair value directly in equity within other financial liabilities by discounting the anticipated cash outflows in the year under review. It reduces non-controlling interests within equity accordingly.

Subsequent Measurement

From 2011 onwards, other financial liabilities arising from the obligation to pay this financial settlement are recorded in the balance sheet at amortised cost. Changes resulting from the expected cash outflows are recognised in profit and loss. The changes result from adjustments to reflect the actual shares in the CTA Group's earnings and changes in the anticipated future development of the CTA Group. Furthermore, the remaining term of the profit and loss transfer agreement was shortened by one year from 2011 onwards. As of 2013, the liability recognised shows the Group's payment obligation for the financial year ended and the present value of the anticipated payment obligation for the following year. Obligations are discounted using an interest rate of 7.70 %. Every year from the 2014 financial year onwards, a discount rate is defined for the recognition of the expected current financial settlement. An interest rate of 5.70 % is used for recognising the expected financial settlement for the 2016 financial year (previous year: 5.93 % for 2015). The amount reported through profit and loss is recorded in financial income Note 16 and only impacts non-controlling interests in the CTA Group.

Development in Non-controlling Interests Held in the CTA Group

in € thousand

As of 31 December 2009 prior to conclusion of the profit and loss transfer agreement	44,617
As of 31 December 2013	- 8,777
Actual share in the CTA Group's earnings for 2014	30,307
Impact on financial income through profit and loss resulting from adjustment of the settlement obligation	- 2,571
Other adjustments	- 287
Comprehensive income reported in equity	27,449
Reclassification of the settlement obligation for 2015 to other financial obligations	- 22,432
As of 31 December 2014, taking actual share of earnings and adjustments to settlement obligation into account	- 3,760
Actual share in the CTA Group's earnings for 2015	21,627
Impact on financial income through profit and loss resulting from adjustment of the settlement obligation	804
Other adjustments	- 25
Comprehensive income reported in equity	22,406
Reclassification of the settlement obligation for 2016 to other financial obligations	- 25,534
As of 31 December 2015, taking actual share of earnings and adjustments to settlement obligation into account	- 6,888

Development in Other Financial Liabilities Arising from Settlement Obligations

in € thousand

As of 31 December 2013	58,380
Payment of actual share of earnings for 2013	- 30,645
Impact on financial income through profit and loss resulting from adjustment of the settlement obligation	2,571
Reclassification of settlement obligation for 2015 from non-controlling interests	22,432
As of 31 December 2014 with continuation of settlement obligation	52,738
Payment of actual share of earnings for 2014	- 30,307
Impact on financial income through profit and loss resulting from adjustment of the settlement obligation	- 804
Reclassification of settlement obligation for 2016 from non-controlling interests	25,534
As of 31 December 2015 with continuation of settlement obligation	47,161

Provisions

A provision is formed if the Group has a present (legal or factual) obligation arising from past events, the settlement of which is likely to result in an outflow of resources embodying economic benefits, and if the amount required to settle the obligation can be estimated reliably. The provision is formed for the amount expected to be necessary to settle the obligation, including future increases in prices and costs. If the Group anticipates a partial reimbursement of an amount made as a provision (e.g. in the case of insurance), the reimbursement is recognised as a separate asset only if it is virtually certain. The expenses arising from recognising the provision are disclosed in the income statement after the reimbursement has been deducted. If the interest effect is substantial, non-current provisions are discounted before tax at an interest rate which reflects the specific risks associated with the liability. In the event of discounting, the increase in the amount of the provision over time is recognised under interest expenses.

Pensions and Other Retirement Benefits

Pension Obligations

Pensions and similar obligations include the Group's benefit obligations under defined benefit obligations. Provisions for pension obligations are calculated in accordance with IAS 19 (revised 2011) using the projected unit credit method. Actuarial gains and losses are taken directly to equity and recognised in other comprehensive income, after accounting for deferred taxes. Service expense affecting net income is recognised in personnel expenses and the interest proportion of the addition to provisions is recognised in the financial result.

Actuarial opinions are commissioned annually to measure pension obligations.

Phased Early Retirement Obligations

The compensation to be paid in the release phase of the so-called block model is recognised as provisions for phased early retirement. It is recognised pro rata over the working period over which the entitlements accrue. Since 1 January 2013 and in accordance with IAS 19 (revised 2011), provisions for supplementary amounts have only been accrued pro rata over the required service period, which regularly ends when the passive phase begins.

Actuarial opinions are commissioned annually to measure compensation obligations in the release phase of the block model and supplementary amounts.

If payment obligations do not become payable until after twelve months' time because of entitlements in the block model or supplementary amounts, they are recognised at their present value.

Leases in Which the Group is Lessee

The question of whether an agreement is, or contains, a lease depends on the commercial content of the agreement and requires an assessment as to whether fulfilling the agreement depends on the use of a certain asset or assets and whether the agreement grants a right to use that asset.

Finance Leases

Finance leases – in which virtually all of the risks and potential rewards associated with ownership of an asset are transferred to the Group – are capitalised at the start of the lease at the lower of the leased asset's fair value or the present value of the minimum lease payments. A lease liability is recognised for the same amount. Lease payments are divided into financing expenses and repayment of the lease liability, so that interest is paid on the residual carrying amount of the lease liability at a constant rate. Financing expenses are recognised through profit and loss in the period in which they arise.

If the transfer of title to the Group at the end of the lease term is not sufficiently certain, capitalised leased assets are fully depreciated over the shorter of the lease term and the asset's useful life. Otherwise, the period of depreciation is the leased asset's useful life.

Operating Leases

Lease instalments for operating leases are recognised as expenses in the income statement on a straight-line basis over the duration of the lease.

Leases in Which the Group is Lessor

The HHLA Group lets properties in and around the Port of Hamburg as well as office properties, warehouses and other commercial space. The rental contracts are classified as operating leases, as the main risks and potential rewards of the properties remain with the Group. The properties are therefore held as investment properties at amortised cost.

Rental income from investment properties is recognised on a straight-line basis over the term of the leases.

Recognition of Income and Expenses

Income is recognised when it is probable that the economic benefit will flow to the Group and the amount of income can be determined reliably. The following criteria must also be met for income to be recognised:

Sale of Goods and Merchandise

Income is recognised when the principal risks and potential rewards incidental to ownership of the goods and merchandise sold have been transferred to the buyer.

Provision of Services
Income from services is recognised in proportion to the progress of the project in question. The extent to which the service has been provided is determined by the number of hours worked as of the balance sheet date as a percentage of the total number of hours estimated for the project. If the result of a service transaction cannot be estimated reliably, income is recognised only to the extent that the expenses incurred are eligible for reimbursement.

Interest
Interest income and interest expenses are recognised when they are accrued or incurred.

Dividends
Income from dividends is recognised in profit and loss when the Group has a legal right to payment. This does not apply to dividends distributed by companies accounted for using the equity method.

Income and Expenses
Operating expenses are recognised when the service is rendered or when the expense is incurred. Income and expenses resulting from identical transactions or events are recognised in the same period. Rental expenses are recognised on a straight-line basis over the lease term.

Government Grants
Government grants are recognised when there is reasonable certainty that they will be granted and the company fulfils the necessary conditions. Grants paid as reimbursement for expenses are recognised as income over the period necessary to offset them against the expenses for which they are intended to compensate. If subsidies relate to an asset they are deducted from the asset's cost of purchase and recognised in profit and loss on a straight-line basis by reducing the depreciation for the asset over its useful life.

Taxes
Current Claims for Tax Rebates and Tax Liabilities
Current claims for tax rebates and tax liabilities for the financial year and prior periods are measured at the amount for which a rebate is expected from, or payment must be made to, the tax authorities. The tax rates and tax legislation in force as of the balance sheet date are used to determine the amount.

Deferred Taxes
Deferred taxes are recognised by using the balance sheet liabilities method on all temporary differences between the carrying amount of an asset or liability in the balance sheet and the amount for tax purposes, as well as on tax loss carry-forwards.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences and unused tax loss carry-forwards proportionate to the probability that taxable income will be available to offset against the deductible temporary differences and the unused tax loss carry-forwards.

The carrying amount of deferred tax assets is reviewed on each balance sheet date and reduced to the extent that it is no longer likely that sufficient taxable profits will be available to use against the deferred tax asset. Unrecognised deferred tax assets are reviewed on each balance sheet date and recognised proportionate to the likelihood that future taxable profits will make it possible to use deferred tax assets.

Deferred tax assets and liabilities are measured using the tax rates expected to apply in the period in which the asset is realised or the liability is met. Tax rates (and tax regulations) are applied if they have already been enacted as of the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity, likewise not affecting net income.

Deferred tax assets and liabilities are netted only if the deferred taxes relate to income taxes for the same tax authority and the current taxes may also be set off against one another.

Fair Value of Financial Instruments

The fair value of financial instruments is determined on the basis of market values or valuation methods. For cash and other current primary financial instruments, fair value is equivalent to the carrying amounts on the respective balance sheet dates. For non-current receivables and other financial assets, as well as non-current liabilities, fair value is measured based on expected cash flows using reference rates of interest at the balance sheet date. The fair value of derivative financial instruments is determined on the basis of reference interest rates and futures prices at the balance sheet date.

Derivative Financial Instruments and Hedging Transactions

The Group can use derivative financial instruments such as interest rate swaps, interest rate caps and currency futures to hedge against interest and currency risks. These derivative financial instruments are initially recognised at fair value at the time the contracts are concluded and subsequently remeasured at fair value.

Gains and losses from changes in the fair value of derivative financial instruments which do not meet the criteria for qualification as hedging transactions are recognised immediately through profit and loss.

For hedge accounting purposes, hedging instruments are classified as cash flow hedges if they serve as a hedge against risks arising from fluctuations in cash flows which can be attributed to a recognised asset or liability, or a forecast transaction.

A hedge for the currency risk of a fixed obligation is treated as a cash flow hedge.

At the beginning of a hedging relationship, the Group formally designates the hedging relationship to be recognised as a hedging transaction, as well as the risk management aims and strategies relating to the hedge, and documents them. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and a description of how the company will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. These hedging relationships are considered to be highly effective in offsetting changes in fair value or cash flows attributable to the hedged risk. The hedges are assessed on an ongoing basis to determine whether they were actually highly effective throughout the financial reporting period for which the hedge was designated.

There were no hedging transactions to hedge fair value or net investments in a foreign operation during the reporting period. Cash flow hedges which meet the strict criteria for recognition as hedging relationships are recognised as follows:

Cash Flow Hedges

The effective portion of gains or losses from changes in the fair value of a hedging instrument is recognised directly in equity, taking into account the deferred taxes, while the ineffective portion is recognised in profit and loss.

The amounts recognised in equity are recorded in the income statement in the period affected by the hedged transaction, e.g. when the hedged financial income or expense affects profit and loss or when a forecast sale or purchase occurs. If the hedged transaction is the acquisition cost of a non-financial asset or a non-financial liability, the amounts recognised in equity are added to the originally recognised carrying amount of the non-financial asset or liability.

If the forecast transaction is no longer expected to occur, the amounts previously recognised in equity are recognised in profit and loss for the period. If the hedging instrument expires, or is sold, terminated or exercised, or rolled over into another hedging instrument, or if the Group withdraws the designation as a hedging instrument, the amounts previously recognised in equity remain separately recognised in equity until the forecast transaction occurs.

7. Significant Assumptions and Estimates

Preparing the Consolidated Financial Statements in accordance with IFRS requires management to make estimates and assess individual facts and circumstances. The estimates made are based on past experience and other relevant factors and on a going concern basis.

The amounts which actually arise may differ from those resulting from estimates and assumptions.

The accounting and valuation principles applied are explained in ▶ Note 6, page 90. Material assumptions and estimates affect the following issues:

Business Combinations

The fair value of the assets acquired and liabilities and contingent liabilities assumed as a result of business combinations must be estimated. For this purpose HHLA either makes use of opinions from independent external experts or calculates the fair value internally using suitable calculation models. These are normally based on discounted cash flows. Depending on the nature of the assets or the availability of information, market price, capital value and cost-oriented valuation methods are applied.

Goodwill

The Group tests goodwill for impairment at least once a year. This requires an estimate of the fair value less selling costs or the value in use of the cash-generating units to which the goodwill has been allocated. To estimate the fair value or value in use, the Group must forecast the likely future cash flows from the cash-generating unit and also choose an appropriate discount rate with which to calculate the present value of these cash flows. Unforeseeable changes may mean that the assumptions used during planning are no longer appropriate, making it necessary to adjust plans. An impairment loss could be incurred as a result. As of the end of the financial year, the carrying value of the goodwill reported was € 38,933 thousand (previous year: € 38,933 thousand). For more information, please refer to ▶ Note 22, page 107.

Internal Development Activities

These activities relate to the development of software within the Group, which is capitalised as soon as the recognition requirements pursuant to IAS 38.57 are fulfilled. HHLA amortises the software over the expected useful life of three to seven years from the point that the software comes into use. As of the end of the financial year, the carrying amount of intangible assets resulting from internal development activities came to € 16,622 thousand (previous year: € 21,099 thousand). For more information, please refer to ▶ Note 22, page 107.

Investment Property

The fair value of investment property must be disclosed in the Notes. HHLA carries out its own calculations to determine the fair value of this property. Industry-standard discounted cash flow methods are applied. The calculations are based on assumptions about applicable interest rates and the amount and time frame of expected future cash flows which these assets can generate. As of 31 December 2015, the carrying amount came to € 190,603 thousand (previous year: € 199,196 thousand). Detailed information is available in ▶ Note 24, page 111.

Pension Provisions

Actuarial opinions are commissioned annually to determine pension obligation costs. These calculations include assumptions about demographic changes, salary and pension increases, and interest, inflation and fluctuation rates. Because these assumptions are long-term in nature, the observations are assumed to be characterised by material uncertainties. As of the end of the financial year, the present value of the company's pension obligations was € 415,608 thousand (previous year: € 443,558 thousand). More detailed information is available in ▶ Note 36, page 118.

Demolition Obligations

Provisions for demolition obligations result from obligations to be met at the end of the lease term under long-term lease agreements with the Free and Hanseatic City of Hamburg. All HHLA Group companies in the Port of Hamburg are obliged to return leased land free of all buildings owned by them at the end of the lease term. To calculate the amount of the provision, it was assumed that the obligation would be carried out in full for all leased property, with the exception of buildings designated as historical landmarks in the

Speicherstadt historical warehouse district. The calculations are based on assumptions concerning the amount of demolition work necessary, interest rates and inflation. As of the end of the financial year, the present value of these obligations was € 58,927 thousand (previous year: € 57,777 thousand). For more information, please refer to ▶ Note 37, page 123.

Provisions for Phased Early Retirement

All employees who have signed, or are expected to sign, an agreement are taken into consideration when recognising and measuring provisions for phased early retirement. The number of employees expected to sign is an estimate. The appraisal reports are also based on actuarial assumptions. As of the end of the financial year, the present value of these obligations was € 1,726 thousand (previous year: € 44 thousand). For more information, please refer to ▶ Note 37, page 123.

Non-Current and Current Financial Liabilities

This item includes, amongst other things, financial settlement obligations to shareholders with non-controlling interests in consolidated subsidiaries. These liabilities exist because HHLA has concluded a profit and loss transfer agreement with a subsidiary which entitles non-controlling interests to receive financial settlements. See ▶ Note 6, page 90. The parameters used to calculate this amount are subject to significant uncertainties which can cause figures to fluctuate accordingly. As of the end of the financial year, the present value of this obligation was € 47,161 thousand (previous year: € 52,738 thousand). For more detailed explanations, please refer to ▶ Note 38, page 124.

Calculating Fair Value

The fair value measured for financial and non-financial assets and liabilities is regularly reviewed by the Group.

The Group also regularly reviews key unobservable input factors and valuation adjustments. When the fair value of an asset or liability is calculated, the Group uses observable market data whenever possible. Based on the input factors used during valuation, the fair values calculated are classified as belonging to different levels of the fair value hierarchy:

- Level 1: Listed prices (non-adjusted) on active markets for identical assets or liabilities
- Level 2: Valuation parameters which do not involve the listed prices included in level 1 but which are observable for the asset or liability either directly (i.e. at a price) or indirectly (i.e. as determined through prices)
- Level 3: Valuation parameters for assets or liabilities which are not based on observable market data

The Group records any transfers between the various levels of the fair value hierarchy at the end of the reporting period in which the amendment was made.

For details of the valuation methods and input parameters used to measure the fair value of the various assets and liabilities, please see ▶ Note 24, page 111 and ▶ Note 47, page 135.

Notes to the Income Statement

8. Revenue

Detailed information about revenue can be found in the Segment Report and in the Notes to the Segment Report under ▶ Note 44, page 129.

9. Changes in Inventories

Changes in Inventories

in € thousand	2015	2014
	- 1,417	- 22

Changes in inventories relate to changes in the inventories of finished products and merchandise, as well as service work in progress.

10. Own Work Capitalised

Own work capitalised results mainly from technical work capitalised in the course of construction work and development activities.

Own Work Capitalised

in € thousand	2015	2014
	9,331	7,877

11. Other Operating Income

Other Operating Income

in € thousand	2015	2014
Income from reimbursements	6,993	8,113
Income from other accounting periods	6,679	8,197
Income from reversal of other provisions	5,843	1,549
Proceeds on disposal of property, plant and equipment	3,250	239
Income from compensation	3,124	1,524
Income from exchange rate differences	2,274	1,468
Other	13,075	12,473
	41,238	33,563

Income from reimbursements related primarily to costs which were passed on in connection with leases.

Income from other accounting periods includes income from reversal of other liabilities from previous periods.

Provisions reversed in the reporting period were mainly due to provisions for legal fees and litigation expenses, as well as for insurance excesses.

Proceeds on the disposal of property, plant and equipment was largely generated by the sale of non-current assets in the Intermodal segment.

Other operating income includes income from outsourcing of personnel of € 4,004 thousand (previous year: € 3,452 thousand).

12. Cost of Materials

Cost of Materials

in € thousand	2015	2014
Raw materials, consumables and supplies	90,106	93,077
Purchased service	271,594	303,578
	361,700	396,655

The expenses for purchased services mainly consist of rail services purchased by the Intermodal segment. These expenses were reduced by the expansion of the company's own traction since the beginning of 2015 with the acquisition of additional locomotives.

13. Personnel Expenses

Personnel Expenses

in € thousand	2015	2014
Wages and salaries	294,508	281,209
Social security contributions and benefits	53,724	52,478
Staff deployment	46,838	62,892
Service expense	5,881	4,718
Other retirement benefit expenses	624	377
	401,575	401,674

The direct remuneration paid to members of the Executive Board totalled € 2,925 thousand for the financial year 2015 (previous year: € 2,959 thousand). See ▶ Note 48, page 141 for more details on the remuneration paid to the Executive Board and the Supervisory Board.

Social security contributions include payments towards the public pension scheme amounting to € 26,005 thousand (previous year: € 26,046 thousand) and payments to the German pension insurance scheme. There were no significant expenses from the termination of employment in the year under review (previous year: € 1,531 thousand).

Service expense includes payments from defined benefit pension commitments and similar obligations.

Average Number of Employees

	2015	2014
Fully consolidated companies		
Employees receiving wages	2,646	2,509
Salaried staff	2,554	2,462
Trainees	116	130
	5,316	5,101

14. Other Operating Expenses

Other Operating Expenses

in € thousand	2015	2014
Leasing	53,350	51,506
External maintenance services	36,592	35,725
Consultancy, services, insurance and auditing expenses	32,820	30,407
Travel expenses, advertising and promotional costs	3,107	2,726
Expenses from exchange rate differences	2,471	2,566
Other personnel expenses	2,083	1,791
External and internal cleaning costs	2,043	2,167
Expenses from other accounting periods	1,701	3,709
Other taxes	1,685	2,096
Postage and telecommunications costs	1,559	1,573
Venture expenses	1,528	2,016
Losses on the disposal of property, plant and equipment	527	1,880
Other	6,832	10,354
	146,298	148,516

Further information on leasing expenses can be found in ▶ Note 45, page 132.

In the previous year, other expenses included balance sheet provisions for legal risks associated with pending proceedings in the amount of € 5 million. ▶ see Note 37, page 123

15. Depreciation and Amortisation

Depreciation and Amortisation

in € thousand	2015	2014
Intangible assets	12,636	11,245
Property, plant and equipment	93,107	97,284
Assets classified as finance lease	9,830	7,326
Investment property	9,285	9,031
	124,858	124,886

A classification of the depreciation and amortisation by asset category is shown in the fixed asset movement schedule. Impairment losses totalling € 2,981 thousand (previous year: € 1,240 thousand) were recognised in the reporting year. ▶ see Note 23, page 108

16. Financial Result

Financial Result

in € thousand	2015	2014
Earnings from associates accounted for using the equity method	3,728	5,260
Income from exchange rate differences	13,800	11,104
Interest income from non-affiliated companies and non-consolidated affiliated companies	1,333	1,013
Income from adjustment of settlement obligations to shareholders with non-controlling interests	804	0
Interest income from bank balances	414	663
Interest income from plan assets for working lifetime accounts	230	435
Income from interest rate hedges	155	246
Interest income	16,736	13,461
Expenses from exchange rate differences	21,761	21,937
Interest expenses on bank borrowing	8,710	8,059
Interest portion of pension provisions	7,849	12,836
Interest included in lease payments	5,550	4,956
Interest expenses to non-affiliated companies and non-consolidated affiliated companies	4,059	5,418
Interest portion of other provisions	1,762	2,131
Expenses from interest rate hedges	411	549
Expenses from the adjustment of settlement obligations to shareholders with non-controlling interests	0	2,571
Interest expenses	50,102	58,459
Net interest income	- 33,366	- 44,998
Income from other equity investments	944	544
Other financial result	944	544
	- 28,694	- 39,194

Earnings from companies accounted for using the equity method relate to the pro rata annual earnings of the joint ventures and associates. ▶ see also Note 25, page 112

Income and expenses from exchange rate differences in both the reporting period and the previous year are mainly due to the performance of the Ukrainian hryvnia.

Please refer to ▶ Note 6, page 90 for details of income from the adjustment of settlement obligations to non-controlling interests, which totalled € 804 thousand (previous year: expenses of € 2,571 thousand).

17. Research Costs

Research costs of € 71 thousand (previous year: € 656 thousand) were incurred in the 2015 financial year. These primarily related to research for software development.

18. Income Tax

Paid or outstanding income taxes and deferred taxes are shown under the item income taxes. Income taxes are made up of corporation tax, solidarity surcharge and trade tax. Companies domiciled in Germany pay corporation tax of 15.0 % and a solidarity surcharge of 5.5 % of the corporation tax expense. These companies and German-based subsidiaries in the form of limited partnerships are also liable for trade tax, which is imposed at different local rates. Trade tax does not reduce the amount of a company's profits on which corporation tax is payable.

Components of Income Tax Expenses

Deferred taxes and current income tax in € thousand	2015	2014
Deferred taxes on temporary differences	- 1,948	- 3,830
Of which Domestic	- 1,510	- 3,181
Of which Foreign	- 438	- 649
Deferred taxes on losses carried forward	- 71	- 291
Of which Domestic	0	- 297
Of which Foreign	- 71	6
Total deferred taxes	- 2,019	- 4,121
Current income tax expense	34,021	43,659
Of which Domestic	21,138	36,700
Of which Foreign	12,883	6,959
Income tax expense recognised in the income statement	**32,002**	**39,538**

Current income tax expenses include tax income from other accounting periods amounting to € 67 thousand (previous year: € 544 thousand).

Deferred tax assets and liabilities result from temporary differences and tax loss carry-forwards.

Deferred Taxes

	Deferred tax assets		Deferred tax liabilities	
in € thousand	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Intangible assets	0	0	1,662	1,539
Property, plant and equipment and finance leases	0	0	9,903	13,481
Investment property	0	0	10,761	13,785
Financial assets	0	0	1,258	258
Inventories	317	54	0	0
Receivables and other assets	395	1,943	434	1,531
Pension and other provisions	67,405	78,421	2,181	3,065
Liabilities	6,540	4,259	6,034	2,462
Tax losses carried forward	26	97	0	0
	74,683	84,774	32,233	36,121
Netted amounts	- 13,287	- 21,217	- 13,287	- 21,217
	61,396	63,558	18,946	14,904

Reconciliation between the Income Tax Expenses and Hypothetical Tax Expenses based on the IFRS Result and the Group's Applicable Tax Rate

in € thousand	2015	2014
Profit after tax	127,845	130,094
Income tax expense at hypothetical income tax rate of 32.28 % (previous year: 32.28 %)	41,268	41,994
Tax income (-), tax expenses (+) for prior years	- 288	- 1,311
Tax-free income	- 1,011	- 1,677
Non-deductible expenses	919	2,495
Trade tax additions and reductions	1,245	1,428
Permanent differences	- 247	929
Differences in tax rates	- 9,302	- 3,996
Impairment losses in deferred tax assets	952	745
Other tax effects	- 1,534	- 1,069
Actual income tax expenses	32,002	39,538

Deferred taxes are calculated on the basis of the tax rates currently in force in Germany or those expected to apply at the time of realisation. A tax rate of 32.28 % was used for the calculations in both 2015 and 2014. This is made up of corporation tax at 15.0 %, solidarity surcharge of 5.5 % of the corporation tax, and the trade tax payable in Hamburg of 16.45 %. Limited partnerships are also liable for trade tax. Due to special rules, property management companies generally do not pay trade tax. Due to rules on minimum taxation, tax loss carry-forwards are only partially usable in Germany. Tax losses of up to € 1 million can be set off against taxable profits without restriction, and higher tax losses up to a maximum of 60 %.

The effects of tax rates for domestic and foreign taxes that diverge from the Group parent company's tax rate are reported in the offsetting and reconciliation under differences in tax rates.

Deferred tax assets are recognised on tax loss carry-forwards and temporary differences if it is sufficiently certain that they can be realised in the near future. The Group has no domestic corporation tax loss carry-forwards, no domestic trade tax loss carry-forwards, and foreign tax loss carry-forwards of € 135 thousand (previous year: € 512 thousand), for which deferred taxes in the amount of € 26 thousand (previous year: € 97 thousand) have been capitalised. No deferred tax assets are recognised for domestic corporation tax loss carry-forwards of € 5,392 thousand (previous year: € 4,447 thousand), domestic trade tax loss carry-forwards of € 3,632 thousand (previous year: € 3,399 thousand) and foreign tax loss carry-forwards of € 13,811 thousand (previous year: € 9,802 thousand). Under current legislation, the tax losses can be carried forward in Germany without restriction.

Deferred tax assets of € 12,405 thousand (previous year: € 20,355 thousand) recognised directly in equity without effect on profit and loss come from actuarial gains and losses on pension provisions, cash flow hedges and unrealised gains/losses arising from available-for-sale financial assets.

Deferred Taxes recognised in the Statement of Comprehensive Income

	Gross		Taxes		Net	
in € thousand	2015	2014	2015	2014	2015	2014
Actuarial gains/losses	25,149	- 79,130	- 7,833	25,129	17,316	- 54,001
Cash flow hedges	381	299	- 130	98	251	397
Unrealised gains/losses on available-for-sale financial assets	- 11	121	12	- 12	1	109
	25,519	- 78,710	- 7,951	25,215	17,568	- 53,495

19. Share of Results Attributable to Non-Controlling Interests

Profits due to non-controlling interests in the amount of € 29,165 thousand (previous year: € 31,646 thousand) primarily relate to non-controlling interests in CTA. Their share of earnings decreased year-on-year due to the CTA Group's lower actual results. This was partially offset by interest income from the measurement of the settlement obligation attributable to the co-partner (previous year: interest expense), which increased the share of earnings (previous year: reduced).

20. Earnings per Share

Basic earnings per share are calculated in accordance with IAS 33 by dividing the net profit for the Group attributable to the shareholders of the parent company by the average number of shares.

Basic earnings per share in €

	Group		Port Logistics Subgroup		Real Estate Subgroup	
	2015	2014	2015	2014	2015	2014
Share of consolidated net profit attributable to shareholders of the parent company in € thousand	66,678	58,910	58,935	52,251	7,743	6,659
Number of common shares in circulation	72,753,334	72,753,334	70,048,834	70,048,834	2,704,500	2,704,500
	0.92	0.81	0.84	0.75	2.86	2.46

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

21. Dividend per Share

The dividend entitlement for the share classes is based on the portion of the distributable profit attributable to the relevant division. This is calculated in accordance with the German Commercial Code (HGB).

A resolution was passed at the Annual General Meeting held on 11 June 2015 to distribute a dividend of € 40,482 thousand to holders of common shares in the reporting year for the 2014 financial year (previous year: € 34,903 thousand). At the time of the distribution, the number of shares entitled to dividends amounted to 72,753,334, of which 70,048,834 are to be attributed to the Port Logistics subgroup (A division) and 2,704,500 to the Real Estate subgroup (S division). This resulted in dividends of € 0.52 per Class A share and € 1.50 per Class S share. The remaining undistributed profit was carried forward to new account.

In 2016, dividends per share of € 0.59 for the Port Logistics subgroup and € 1.75 for the Real Estate subgroup are due to be paid. Based on the number of dividend-entitled shares as of 31 December 2015, this is equivalent to a distribution of € 41,329 thousand for the Port Logistics subgroup and of € 4,733 thousand for the Real Estate subgroup.

Notes to the Balance Sheet

22. Intangible Assets

Development of Intangible Assets

in € thousand	Goodwill	Software	Internally developed software	Other intangible assets	Payments made on account	Total
Carrying amount as of 1 January 2014	38,687	16,654	23,490	0	2,708	81,539
Acquisition or production cost						
1 January 2014	46,869	61,581	41,211	1,404	2,708	153,773
Additions	245	2,400	3,369		2,295	8,309
Disposals		- 859	- 363		- 10	- 1,232
Reclassifications		341	1,519		- 1,860	0
Changes in scope of consolidation/ consolidation method		4				4
Effects of changes in exchange rates	- 25	- 1,247				- 1,272
31 December 2014	47,089	62,220	45,736	1,404	3,133	159,582
Accumulated depreciation, amortisation and impairment						
1 January 2014	8,182	44,927	17,721	1,404	0	72,234
Additions		4,252	6,993			11,245
Disposals		- 822	- 77			- 899
Reclassifications						0
Changes in scope of consolidation/ consolidation method		2				2
Effects of changes in exchange rates	- 25	- 818				- 843
31 December 2014	8,157	47,541	24,637	1,404	0	81,739
Carrying amount as of 31 December 2014	38,933	14,679	21,099	0	3,133	77,844
Carrying amount as of 1 January 2015	38,933	14,679	21,099	0	3,133	77,844
Acquisition or production cost						
1 January 2015	47,089	62,220	45,736	1,404	3,133	159,582
Additions		1,858	1,820		5,135	8,814
Disposals		- 659				- 659
Reclassifications		1,064	1,431		- 2,463	32
Changes in scope of consolidation/ consolidation method						0
Effects of changes in exchange rates	58	- 547		- 1		- 490
31 December 2015	47,147	63,936	48,987	1,403	5,805	167,279
Accumulated depreciation, amortisation and impairment						
1 January 2015	8,157	47,541	24,637	1,404	0	81,739
Additions		4,908	7,728			12,636
Disposals		- 659				- 659
Reclassifications						0
Changes in scope of consolidations/ consolidation method						0
Effects of changes in exchange rates	58	- 345		- 1		- 288
31 December 2015	8,215	51,445	32,365	1,403	0	93,428
Carrying amount as of 31 December 2015	38,933	12,491	16,622	0	5,805	73,851

Of the goodwill reported for the Container segment as of the balance sheet date, € 35,525 thousand is attributable to the cash-generating unit (CGU) CTT/Rosshafen and € 1,893 thousand is attributable to the CGU HCCR. The CGU CTT/Rosshafen's goodwill of € 30,929 was generated by the acquisition of all the shares in HHLA Rosshafen Terminal GmbH, Hamburg, in 2006. This goodwill is primarily derived from additional strategic options to expand the Group's handling activities at the sites let by the company.

Carrying Amounts for Goodwill by Segments

in € thousand	31.12.2015	31.12.2014
Container	37,418	37,418
Intermodal and Other	1,515	1,515
	38,933	38,933

23. Property, Plant and Equipment

Development of Property, Plant and Equipment

in € thousand	Land and buildings	Technical equipment and machinery	Other plant, operating and office equipment	Payments on account and plants under construction	Total
Carrying amount as of 1 January 2014	416,800	278,567	160,840	106,048	962,255
Acquisition or production cost					
1 January 2014	707,480	709,001	409,183	106,048	1,931,712
Additions	21,468	18,674	14,279	64,445	118,866
Disposals	- 4,960	- 1,459	- 5,397	- 630	- 12,446
Reclassifications	44,249	44,844	34,580	- 123,673	0
Changes in scope of consolidation/consolidation method		738	51		789
Effects of changes in exchange rates	- 10,447	- 14,756	- 1,487	- 18,007	- 44,697
31 December 2014	757,790	757,042	451,209	28,183	1,994,224
Accumulated depreciation, amortisation and impairment					
1 January 2014	290,680	430,434	248,343	0	969,457
Additions	31,195	43,035	30,380		104,610
Disposals	- 3,407	- 927	- 5,303		- 9,638
Reclassifications					0
Appreciations					0
Changes in scope of consolidation/consolidation method		66	- 44		22
Effects of changes in exchange rates	- 1,228	- 6,026	- 991		- 8,244
31 December 2014	317,240	466,582	272,386	0	1,056,208
Carrying amount as of 31 December 2014	440,550	290,460	178,823	28,183	938,016
Carrying amount as of 1 January 2015	440,550	290,460	178,823	28,183	938,016
Acquisition or production cost					
1 January 2015	757,790	757,042	451,209	28,183	1,994,224
Additions	11,101	4,722	35,713	70,086	121,623
Disposals	- 12,879	- 710	- 19,065	- 380	- 33,034
Reclassifications	5,307	198	17,917	- 23,454	- 32
Changes in scope of consolidation/consolidation method	12,459	1		1,770	14,230
Effects of changes in exchange rates	- 9,048	- 7,412	- 524	- 28	- 17,012
31 December 2015	764,731	753,841	485,251	76,177	2,080,000

in € thousand	Land and buildings	Technical equipment and machinery	Other plant, operating and office equipment	Payments on account and plants under construction	Total
Accumulated depreciation, amortisation and impairment					
1 January 2015	317,240	466,582	272,386	0	1,056,208
Additions	30,160	40,120	32,656		102,936
Disposals	- 5,899	- 547	- 15,659		- 22,105
Reclassifications					0
Appreciations	- 583		- 36		- 620
Changes to scope of consolidation/consolidation method	37				37
Effects of changes in exchange rates	- 642	- 2,482	- 394		- 3,519
31 December 2015	340,312	503,672	288,953	0	1,132,937
Carrying amount as of 31 December 2015	424,419	250,169	196,298	76,177	947,063

The additions to assets are largely the result of the expansion of container terminals in Hamburg and the acquisition of locomotives by the HHLA subsidiary METRANS.

Disposals in the financial year under review mainly relate to the sale of land in Poland.

The changes to the consolidated group primarily concern METRANS Konténer Kft, which was included in the Consolidated Financial Statements for the first time as of 30 June 2015.

The negative effects of changes in exchange rates arose chiefly in connection with the devaluation of the Ukrainian currency.

Depreciation and impairment of property, plant and equipment included impairment losses of € 2,981 thousand on land and buildings as well as on other plant, operating and office equipment. The prior-year figure (€ 1,240 thousand) related to servers and handling equipment.

Buildings, surfacing and movable non-current assets with a carrying amount of € 4,207 thousand (previous year: € 6,869 thousand) have been pledged as collateral in connection with loans taken up by the Group.

Regarding existing restrictions on the disposal and use of buildings in connection with the letting of the associated properties from the Free and Hanseatic City of Hamburg, see the explanatory remarks on the lease agreements in ▶ Note 45, page 132.

As of the balance sheet date, the Group had obligations of € 87,978 thousand (previous year: € 52,440 thousand) from purchase commitments attributable to investments in property, plant and equipment.

Development of Property, Plant and Equipment includes Assets which are Classified as Finance Lease

in € thousand	Land and buildings	Technical equipment and machinery	Other plant, operating and office equipment	Total
Carrying amount as of 1 January 2014	102,890	1,176	16,553	120,619
Acquisition or production cost				
1 January 2014	108,946	6,305	33,976	149,228
Additions		1,082	2,827	3,908
Disposals		- 26	- 1,141	- 1,167
Reclassifications			31,897	31,897
Changes in scope of consolidation		738		738
Effects of changes in exchange rates	- 490	- 182	- 13	- 684
31 December 2014	108,456	7,917	67,546	183,920
Accumulated depreciation, amortisation and impairment				
1 January 2014	6,056	5,129	17,422	28,609
Additions	2,195	504	4,627	7,326
Disposals		- 17	- 1,122	- 1,139
Reclassifications			- 42	- 42
Changes in scope of consolidation/consolidation method		66		66
Effects of changes in exchange rates	- 38	- 149	- 4	- 191
31 December 2014	8,213	5,533	20,882	34,629
Carrying amount as of 31 December 2014	100,243	2,384	46,664	149,291
Carrying amount as of 1 January 2015	100,243	2,384	46,664	149,291
Acquisition or production cost				
1 January 2015	108,456	7,917	67,546	183,920
Additions		268	3,488	3,756
Disposals		- 30	- 12,012	- 12,042
Reclassifications			- 12,090	- 12,090
Changes in scope of consolidation		1		1
Effects of changes in exchange rates	- 176	14	30	- 132
31 December 2015	108,281	8,171	46,962	163,414
Accumulated depreciation, amortisation and impairment				
1 January 2015	8,213	5,533	20,882	34,629
Additions	2,185	827	6,818	9,830
Disposals		- 8	- 8,868	- 8,876
Reclassifications			- 10,509	- 10,509
Changes in scope of consolidation/consolidation method				0
Effects of changes in exchange rates	- 19	2	11	- 6
31 December 2015	10,380	6,354	8,334	25,067
Carrying amount as of 31 December 2015	97,901	1,818	38,628	138,347

24. Investment Property

Development of Investment Property

in € thousand	Investment property	Payments on account and plants under construction	Total
Carrying amount as of 1 January 2014	172,552	11,704	184,256
Acquisition or production cost			
1 January 2014	287,266	11,704	298,970
Additions	24,066	120	24,186
Disposals	- 230		- 230
Reclassifications	11,655	- 11,655	0
31 December 2014	322,758	169	322,927
Accumulated depreciation, amortisation and impairment			
1 January 2014	114,714	0	114,714
Additions	9,031		9,031
Disposals	- 14		- 14
Reclassifications			0
31 December 2014	123,731	0	123,731
Carrying amount as of 31 December 2014	199,026	169	199,196
Carrying amount as of 1 January 2015	199,026	169	199,196
Acquisition or production cost			
1 January 2015	322,758	169	322,927
Additions	180	634	815
Disposals	- 30	- 97	- 127
Reclassifications	0	0	0
31 December 2015	322,909	706	323,615
Accumulated depreciation, amortisation and impairment			
1 January 2015	123,731	0	123,731
Additions	9,285	0	9,285
Disposals	- 4	0	- 4
Write-backs	0	0	0
31 December 2015	133,012	0	133,012
Carrying amount as of 31 December 2015	189,897	706	190,603

The properties held as investment property are mainly warehouses converted to office space and other commercial real estate in Hamburg’s Speicherstadt historical warehouse district as well as logistics warehouses and surfaced areas.

The addition to investment property in the previous year was due to the completion and handover of a hotel complex.

Rental income from investment property at the end of the financial year was € 51,022 thousand (previous year: € 46,287 thousand). The direct operating expenses for investment property amounted to € 14,867 thousand (previous year: € 16,631 thousand) at the end of the reporting year.

Fair value is calculated and measured annually by HHLA’s Real Estate segment. The associated inputs are classified as Level 3 in the fair value hierarchy, see ▶ Note 7, page 98.

Fair Value Reconciliation

in € thousand	2015
As of 1 January	521,005
Change in fair value (not realised)	63,207
As of 31 December	584,212

The valuation method used to measure the fair value of investment property as well as the key unobservable input factors applied:

Valuation method	Key unobservable input factors	Relationship between key unobservable input factors and measurement at fair value The estimated fair value would increase (fall) if
Fair values are measured by applying the discounted cash flow method (DCF method) to the forecast net cash flows from managing the properties. This method is based on detailed forecasts of ten years or up to the end of the useful lives of properties with a remaining useful life of less than ten years. The cash flows are discounted using standard market interest rates. Property-specific fair value is determined on the basis of property-specific measurement criteria.	contractually agreed rental income	the expected rent increases were higher (lower)
	expected rent increases	the expected rent increases were higher (lower)
	vacancy periods	the vacancy periods were shorter (longer)
	level of occupancy	the level of occupancy was higher (lower)
	rent-free periods	the rent-free periods were shorter (longer)
	possible termination of the tenancy agreement	tenancy agreements were not terminated (were terminated)
	re-leasing	the property was re-leased sooner (later)
	operating, management and maintenance costs	operating, management and maintenance costs were lower (higher)
	discount rate (4.54 to 7.82 % p. a.)	the risk-adjusted discount rate was lower (higher)

Regarding existing restrictions on the disposal and use of buildings in connection with the letting of the associated properties from the Free and Hanseatic City of Hamburg, see the explanatory remarks on the lease agreements in ▶ Note 45, page 132.

25. Associates Accounted for Using the Equity Method

Interests in Associates Accounted for Using the Equity Method

in € thousand	31.12.2015	31.12.2014
Interests in joint ventures	9,303	8,749
Interest in associates companies	3,171	2,968
	12,474	11,717

Interests in joint ventures comprise Hansaport, HHLA Frucht, STEIN, ARS-UNIKAI, Kombi-Transeuropa and Hamburg Vessel Coordination Center (formerly: Feeder Logistik Zentrale). Interests in associates relate solely to the investments in CuxPort.

The interests reported are higher than in the previous year due to the earnings recorded in financial income for the various companies at equity – see ▶ Note 16, page 103 – less the dividends received.

26. Financial Assets

Financial Assets

in € thousand	31.12.2015	31.12.2014
Securities	3,871	3,910
Shares in affiliated companies	4,878	4,099
Other equity investments	349	355
Other financial assets	11,341	9,382
	20,439	17,746

In the reporting year – as in the previous year – the securities relating to insolvency insurance for phased early retirement entitlements were netted out against the corresponding phased early retirement obligations because they fulfil the conditions for plan assets as per IAS 19 (revised 2011). The securities portfolio recognised as plan assets in the financial year amounted to € 3,120 thousand (previous year: € 6,903 thousand), see ▶ Note 37, page 123. Before offsetting, this results in a securities portfolio of € 6,991 thousand (previous year: € 10,813 thousand).

The shares in affiliated companies include shares in Group companies which are of minor importance for giving a true and fair view of the Group's net assets, financial and earnings position and are therefore not consolidated.

Other financial assets primarily comprise receivables from bank guarantees totalling € 3,347 thousand (previous year: € 2,998 thousand), receivables from a graduated rent amounting to € 3,905 thousand (previous year: € 2,954 thousand), receivables from relief funds totalling € 2,423 thousand (previous year: € 2,576 thousand) and receivables from HPA amounting to € 351 thousand (previous year: € 367 thousand).

27. Inventories

Inventories

in € thousand	31.12.2015	31.12.2014
Raw materials, consumables and supplies	20,073	20,100
Work in progress	1,719	2,645
Finished products and merchandise	791	1,281
	22,583	24,026

Impairment losses on inventories recognised as an expense amount to € 1,225 thousand (previous year: € 958 thousand). This expense is reported under cost of materials, see ▶ Note 12, page 101.

28. Trade Receivables

Trade Receivables

in € thousand	31.12.2015	31.12.2014
	128,130	140,221

The trade receivables are owed by third parties, do not bear interest and all have a remaining term of less than one year. No receivables were assigned as collateral for financial liabilities, either in the previous year or in the year under review. Collateral for trade receivables is only held to a minor extent (e.g. rental guarantees).

Details of impairment allowances for trade receivables can be found in ▶ Note 47, page 135.

29. Receivables from Related Parties

Receivables from Related Parties

in € thousand	31.12.2015	31.12.2014
Receivables from HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH (HGV)	43,906	23,406
Receivables from HHLA Frucht- und Kühl-Zentrum GmbH	4,915	6,467
Receivables from METRANS ISTANBUL STI	4,061	3
Receivables from Kombi-Transeuropa Terminal Hamburg GmbH (KTH)	2,286	1,459
Receivables from Free and Hanseatic City of Hamburg (FHH)	1,351	773
Receivables from Hamburg Port Authority (HPA)	349	552
Receivables from METRANS Danubia Kft.	1	2,032
Other receivables from related parties	1,646	1,510
	58,515	36,202

Receivables from HGV include € 43,900 thousand from existing cash clearing (previous year: € 23,400 thousand).

30. Other Financial Receivables

Other Financial Receivables

in € thousand	31.12.2015	31.12.2014
Current receivables from employees	1,234	1,338
Current reimbursement claims against insurers	365	18
Other	1,687	626
	3,286	1,982

31. Other Assets

Other Assets

in € thousand	31.12.2015	31.12.2014
Current tax credit	13,046	14,817
Payments on account	4,868	1,700
Other	10,901	7,272
	28,815	23,789

Current tax credits were lower than in the previous year. This was largely because value added tax receivables were down.

Payments on account relate among other things to prepayments of € 2,443 thousand (previous year: € 225 thousand) for flood protection work.

Miscellaneous other assets include receivables in the amount of € 3,394 thousand from the sale of moveable non-current assets in the Intermodal segment.

The other assets shown are not subject to any significant restrictions on title or use.

32. Income Tax Receivables

Income Tax Receivables

in € thousand	31.12.2015	31.12.2014
	8,644	1,568

Income tax receivables are attributable to tax receivables from advance tax payments.

33. Cash, Cash Equivalents and Short-Term Deposits

Cash, Cash Equivalents and Short-Term Deposits

in € thousand	31.12.2015	31.12.2014
Cash and cash equivalents with a maturity of up to 3 months	57,965	87,612
Short-term deposits with a maturity of 4–12 months	73,050	90,000
Bank balances and cash in hand	63,550	74,605
	194,565	252,217

Cash, cash equivalents and short-term deposits are made up of cash in hand and various bank balances in different currencies.

Cash of € 10,686 thousand (previous year: € 9,359 thousand) is subject to foreign exchange outflow restrictions.

Bank balances bear interest at variable rates applicable to demand accounts. Short-term deposits are made for varying periods of time ranging from one day to twelve months, depending on the Group's cash requirements. They attract interest at rates payable for short-term deposits. The interest rates for deposits in the eurozone were between 0.0 and 0.7 % in the financial year (previous year: 0.0 and 1.4 %). The fair value of cash and cash equivalents is largely equivalent to their carrying value.

As of the balance sheet date, the Group had unused lines of credit amounting to € 1,207 thousand (previous year: € 3,637 thousand) and had met all the conditions for their use. HHLA is confident that the Group has sufficient credit lines at its disposal whenever required.

34. Non-Current Assets Held for Sale

There were no non-current assets held for sale either in the reporting period or in the previous year.

35. Equity

Changes in the individual components of equity for the 2015 and 2014 financial years are shown in the statements of changes in equity.

Subscribed Capital

As of the balance sheet date, HHLA's share capital consists of two different classes of share: Class A shares and Class S shares. Subscribed capital is € 72,753 thousand, divided into 70,048,834 Class A shares and 2,704,500 Class S shares; each no-par-value share represents € 1.00 of share capital on paper.

The share capital has been fully paid in.

In the course of the stock flotation on 2 November 2007, 22,000,000 Class A shares were placed on the market. This corresponds to a free float of approx. 30 % of HHLA's share capital.

As of the balance sheet date, the Free and Hanseatic City of Hamburg holds 69.58 % of the voting rights in HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH, Hamburg, including the voting rights in HHLA-Beteiligungsgesellschaft mbH, Hamburg, which was merged with HGV in the 2015 financial year.

Authorised Capital I

The Executive Board is authorised until 13 June 2017, with the consent of the Supervisory Board, to increase the company's share capital by up to € 35,024,417.00 by issuing up to 35,024,417 new registered Class A shares (no-par-value shares each with a nominal value of € 1.00) in return for cash deposits and/or contributions in kind on a one-off or repeated basis (authorised capital I). The statutory subscription right of the holders of Class S shares shall be excluded. Class A shareholders must in principle be granted subscription rights. The new shares may also be purchased by one or more banks chosen by the Executive Board together with the obligation to offer them for sale to Class A shareholders (indirect subscription right). However, the Executive Board is authorised – with the approval of the Supervisory Board – to exclude the subscription rights of holders of Class A shares in certain cases if:

a. it is necessary to do so in order to offset fractional amounts;

b. the Class A shares are issued in return for a contribution in kind, especially in connection with the acquisition of companies, parts of companies or equity shares in companies, as part of company mergers and/or for the purpose of acquiring other assets, including rights and receivables; subscription rights may only be excluded for Class A shares accounting for up to 20 % of the share capital attributable to Class A shares in conjunction with this authorisation (i.e. up to the amount of € 14,009,766.00);

c. the company's Class A shares are issued in return for cash and the issue price per share is not significantly lower than the price of similar Class A shares in the company already listed on the stock exchange at the time of the share issue. However, subscription rights can only be excluded in this case if the number of shares thus issued together with the number of treasury shares sold during the term of this authorisation for which subscription rights were excluded as per Section 186 (3) sentence 4 AktG and the number of Class A shares which can be created by exercising warrants and/or conversion rights or fulfilling conversion obligations arising from warrants, convertible bonds and/or participation rights issued during the term of this authorisation for which subscription rights were excluded as per Section 186 (3) sentence 4 AktG does not exceed a total of 10 % of the company's share capital at the time this authorisation comes into effect or – if the total is lower – at the time the authorisation is exercised;

d. if the Class A shares are offered to persons employed by the company or by one of its associates as defined in Section 15 AktG or are transferred to them;

e. to the extent necessary to grant the bearers of warrants, convertible bonds and/or conversion obligations those subscription rights to new Class A shares to which they would be entitled as shareholders after exercising the warrant or conversion right or fulfilling their conversion obligation.

The Executive Board is authorised, with the consent of the Supervisory Board, to specify the further details of the implementation of capital increases out of authorised capital I, in particular the additional rights embodied in a share certificate and the other conditions of the share issue. After each share increase from authorised capital – or once the authorisation has expired – the Supervisory Board is permitted to adjust the wording of the articles of association accordingly, in particular with regard to the amount of share capital and the number of no-par-value Class A shares in existence.

Authorised Capital II

The Executive Board is authorised until 13 June 2017, with the consent of the Supervisory Board, to increase the company's share capital by up to € 1,352,250.00 by issuing up to 1,352,250 new registered Class S shares (no-par-value shares each with a nominal value of € 1.00) in return for cash deposits and/or contributions in kind on a one-off or repeated basis (authorised capital II). The statutory subscription right of the holders of Class A shares shall be excluded. The Executive Board is authorised, with the consent of the Supervisory Board, to remove from the Class S shareholders' subscription right fractional amounts which arise due to the subscription relationship.

The Executive Board is authorised, with the consent of the Supervisory Board, to specify the further details of the implementation of capital increases out of authorised capital II, in particular the additional rights embodied in a share certificate and the other conditions of the share issue. After each share increase from authorised capital – or once the authorisation has expired – the Supervisory Board is permitted to adjust the wording of the articles of association accordingly, in particular with regard to the amount of share capital and the number of no-par-value Class S shares in existence.

Other Authorisations

The Annual General Meeting of HHLA held on 13 June 2013 resolved to authorise the Executive Board to issue on one or more occasions bearer or registered bonds with warrants or convertible bonds for a total nominal amount of up to € 200,000,000.00 in the period until 12 June 2016. Option and conversion rights may only be issued for Class A company shares accounting for up to € 6,900,000.00 of the company's total share capital accounted for by Class A shares (conditional capital: € 6,900,000.00).

The Annual General Meeting of HHLA held on 16 June 2011 additionally authorised the company's Executive Board to purchase Class A treasury shares up to a maximum of 10 % of the portion of the company's share capital accounted for by Class A shares at the time of the resolution. In addition to being sold on the stock exchange or offered with subscription rights to all Class A shareholders, the shares acquired under this authorisation may – subject to the approval of the Supervisory Board – be used in the cases stipulated by the resolution excluding other shareholders' subscription rights or be redeemed either in whole or in part without the need for an additional resolution by the Annual General Meeting. This authorisation expires on 15 June 2016. This authorisation may be used for any legally permissible purpose, except for trading in treasury shares.

HHLA does not currently hold any treasury shares. There are no plans to buy back shares.

Capital Reserve

The Group's capital reserve includes premiums from share issues and the associated costs of issue, which are deducted from the capital reserve. It also comprises premiums from capital increases at subsidiaries with non-controlling interests and a reserve increase from an employee stock purchase plan.

At the reporting date, the HHLA Group had capital reserves of € 141,584 thousand (previous year: € 141,584 thousand).

Retained Earnings

Retained earnings include net profits from prior years for companies included in the Consolidated Financial Statements, as far as these were not distributed as dividends. This item also encompasses differences between HGB and IFRS as of 1 January 2006 (the transitional date).

Measurement differences between HGB and IFRS resulting from this separation of divisions in the amount of € 4.5 million were recognised directly in equity in the divisional financial statements of the Port Logistics subgroup and the Real Estate subgroup.

Other Comprehensive Income

In accordance with the currently applicable version of IAS 19 (revised 2011), the HHLA Group's equity includes all actuarial gains and losses from defined benefit pension plans. This item additionally comprises changes in the fair value of hedging instruments (cash flow hedges), changes in the fair value of working lifetime accounts and the corresponding tax effects.

The reserve for translation differences enables the recognition of differences arising on the translation of financial statements for foreign subsidiaries.

Non-Controlling Interests

Non-controlling interests comprise outside interests in the Group companies' consolidated equity and totalled € 30,707 thousand at the end of the financial year (previous year: € 29,232 thousand).

Non-controlling interests increased due to the inclusion of current earnings. They were reduced by the reclassification as per IAS 32 of the minority shareholder's future estimated entitlements to financial settlements as other financial liabilities for the term of the profit and loss transfer agreement, see ▶ Note 6, page 90 and ▶ Note 38, page 124

Notes on Capital Management

Capital management at HHLA aims to ensure the Group's long-term financial stability and flexibility in order to safeguard the Group's growth and enable its shareholders to participate in its success. Balance sheet equity is the primary benchmark in this regard. The key value-oriented performance indicator at the HHLA Group is the return on capital employed (ROCE). The equity ratio is also monitored in order to maintain a stable capital structure.

Equity Ratio

in %	31.12.2015	31.12.2014
Equity in € thousand	580,560	546,741
Total assets in € thousand	1,750,364	1,788,081
	33%	31%

The equity ratio rose compared to the previous year. The increase is primarily due to the inclusion of current earnings less dividend distributions.

External minimum capital requirements were fulfilled at all agreed audit points throughout the reporting year. See ▶ Note 38, page 124 for more information.

36. Pension Provisions

Pension Obligations

Provisions for pensions and similar obligations are formed for commitments arising from both vested rights to future pension payments and current payments to active and former members of HHLA Group companies in Germany and any surviving dependants who are entitled to receive such benefits. A distinction is made between defined benefit and defined contribution company pension plans.

Defined Benefit Pension Plans

In the case of defined benefit plans, the Group is obliged to make the agreed payments to current and former employees. HHLA's pension scheme is financed by both provisions and funds.

Company retirement benefits are paid on the basis of various entitlements. As well as individual agreements these are primarily the collective company pension agreement (BRTV) and the so-called "port pension", which is governed by a collective labour agreement for port workers in German seaports.

The BRTV is a total benefit plan. HHLA guarantees the participating employees a certain amount of benefits, which are made up of the statutory pension and the company pension. The amount of total benefits is determined by a variable percentage (according to years of service) of a fictitious net payment in the final wage or salary band based on the applicable social security data contribution levels for the year 1999. The current contribution assessment ceiling is always taken into account.

The amount of the port pension depends on the years in service and is determined by the collective labour agreement for German seaports.

Based on these pension plans, the Group forms provisions for pensions and similar obligations for the amount of expected future retirement and surviving dependants' pensions. External actuaries calculate the amount of the obligation using the projected unit credit method.

Amounts Recognised for Benefit Commitments

in € thousand	31.12.2015	31.12.2014
Present value of pension commitments	403,613	436,227
Obligations from working lifetime accounts	11,995	7,331
	415,608	443,558

Pension Commitments

The balance sheet shows the full present value of pension obligations including actuarial gains and losses. The reported pension obligation relates to an unfinanced plan.

Development of the Present Value of Pension Obligations

in € thousand	2015	2014
Present value of pension obligations as of 1. January	436,227	360,921
Current service expense	5,038	3,960
Past service expense	547	0
Interest expense	7,461	12,280
Pension payments	- 19,487	- 19,773
Actuarial gains (+), losses (-) due to amendments in biometric assumptions	2,060	- 10,580
Actuarial gains (+), losses (-) due to amendments in financial assumptions	- 28,233	89,419
Present value of pension obligations as of 31. December	403,613	436,227

Present Value of the Defined Benefit Pension Obligations Split by Various Groups of Beneficiaries

in %	2015	2014
Current employees	37.4	39.3
Former employees	3.0	1.9
Pensioners	59.6	58.8
	100.0	100.0

As of 31 December 2015, the weighted average term of the defined benefit obligation was 13.8 years (previous year: 14.5 years).

Pension Commitments Recognised in the Income Statement

in € thousand	2015	2014
Current service expense	5,038	3,960
Past service expense	547	0
Interest expenses	7,461	12,280
	13,046	16,240

Development of Actuarial Gains/Losses from Pensions Commitments

in € thousand	2015	2014
Actuarial gains (+)/losses (-) as of 1 January	- 65,983	12,856
Changes in the financial year due to amendments in biometrical assumptions	- 2,060	10,580
Changes in the financial year due to amendments in financial assumptions	28,233	- 89,419
Actuarial gains (+)/losses (-) as of 31 December	- 39,810	- 65,983

Actuarial Assumptions to Determine Pension Provisions

in %	31.12.2015	31.12.2014
Discount rate	2.25	1.75
Projected salary increase	3.00	3.00
Projected increase in pensions (without BRTV)	2.00	2.00
Projected increase in pensions (monthly pensions under BRTV)	1.00	1.00
Fluctuation rate	2.10	2.10
Rate of inflation	2.00	2.00
Adjustment of Social Security Pension according to Pension Insurance Report	2015	2014

The biometric data is drawn from the 2005 G actuarial tables by Prof. Dr. Klaus Heubeck.

HHLA derives the interest rates used for discounting from corporate loans with a very good credit rating whose terms and payouts match HHLA's pension plans.

Sensitivity Analysis: Pension Provisions

	Change in parameter			Effect on present value		
		31.12.2015	31.12.2014	in € thousand	31.12.2015	31.12.2014
Discount rate	Increase of	0.5 %	0.5 %	Decrease of	24,729	27,569
	Decrease of	0.5 %	0.5 %	Increase of	27,525	30,808
Payment trend	Increase of	0.5 %	0.5 %	Increase of	4,407	5,321
	Decrease of	0.5 %	0.5 %	Decrease of	4,305	5,180
Adjustment to state pension	Decrease of	20.0 %	20.0 %	Increase of	1,606	2,309
Expected mortality	Decrease of	10.0 %	10.0 %	Increase of	15,260	16,888

Actuarial calculations for the valuation parameters classed as material are performed in isolation, i.e. if several parameters change simultaneously, the individual effects are not cumulative due to correlation. In the case of a change to the parameters, a linear trend for the defined benefit obligation cannot be drawn from the sensitivities stated.

Pension Payments
In the 2015 financial year, HHLA made pension payments for plans totalling € 19,487 thousand. HHLA anticipates the following payments for pension plans over the next five years.

Expected Pension Payments

in € thousand	
2016	21,017
2017	20,966
2018	20,998
2019	20,781
2020	20,884
	104,646

Obligations from Working Lifetime Accounts
In the 2006 financial year, the affiliated companies in Germany undertook to set up working lifetime accounts due to collective labour agreements. Staff could elect to have remuneration components paid into money market or investment funds by the Group until 31 December 2013. Capital has been invested within the company since 1 January 2014. The funds saved in the employee's account are used to give them paid leave before they enter retirement. The amount of pay to which employees are entitled during their early retirement depends on the amount of funds saved, which in turn depends on the performance of the fund assets – based on the model for contributions up to 31 December 2013 and taking the return guaranteed in the collective labour agreement into account for contributions as of 1 January 2014 – plus other contractually agreed social benefits during the early retirement phase.

The portion of the obligations covered by the funds saved is reported at the funds' fair value. The additional benefits arising from collective labour agreements which are not covered by the funds saved are reported at the full present value of the obligation including actuarial gains and losses.

Allocation of Benefit Commitments

in € thousand	31.12.2015	31.12.2014
Present value of obligations	24,767	20,266
Present value of plan assets (fund shares)	- 12,772	- 12,935
Uncovered allocations	11,995	7,331

Development of the Present Value of the Obligations from Working Lifetime Accounts

in € thousand	2015	2014
Present value of the obligations from working lifetime accounts as of 1 January	20,266	16,547
Current service expense	3,432	3,888
Interest expenses	388	557
Actuarial gains (-), losses (+) due to amendments in biometric assumptions	1,770	- 683
Actuarial gains (-), losses (+) due to amendments in financial assumptions	- 1,042	365
Capital payments	- 47	- 408
Present value of the obligations from working lifetime accounts as of 31 December	24,767	20,266

As of 31 December 2015, the weighted average term of the defined benefit obligation was 20.0 years (previous year: 20.0 years).

Development of the Fair Value of Plan Assets from Working Lifetime Accounts

in € thousand	2015	2014
Fair value of plan assets from working lifetime accounts as of 1 January	12,935	13,054
Expected income from plan assets	230	435
Proceeds	0	167
Actuarial gains (-), losses (+) due to amendments in financial assumptions	- 351	- 378
Capital payments	- 42	- 343
Fair value of plan assets from working lifetime accounts as of 31 December	12,772	12,935

The plan assets consist solely of shares in money market and investment funds. Losses of € 148 thousand were recorded on the plan assets in the financial year (previous year: € 145 thousand).

Actuarial Assumptions to determine Provisions from Working Lifetime Accounts

in %	31.12.2015	31.12.2014
Discount rate	2.25	1.75
Anticipated return on invested capital	2.25 – 3.00	1.75 – 3.00
Forecast increase in pay	3.00	3.00

The biometric data is drawn from the 2005 G actuarial tables by Prof. Dr. Klaus Heubeck, taking into account age-related fluctuation.

Working Lifetime Accounts recognised in the Income Statement (with the exception of the covered part of the service expenses for funds)

in € thousand	2015	2014
Current service expense including salary conversion	3,432	3,888
thereof gathered at costs as uncovered part	301	823
thereof gathered at funds as covered part	3,131	3,065
Interest expenses	388	557
Expected income from the plan assets	- 230	- 435
Benefits paid (service expense)	- 5	- 65
	3,585	3,945

Development of Actuarial Gains/Losses from Working Lifetime Accounts

in € thousand	2015	2014
Actuarial gains (+)/losses (-) as of 1. January	252	312
Changes in the financial year due to amendments in biometrical assumptions	- 1,770	683
Changes in the financial year due to amendments in financial assumptions	691	- 743
Actuarial gains (+)/losses (-) as of 31 December	- 827	252

Sensitivity Analysis: Working Lifetime Accounts

	Change in parameter			Effect on present value			
		31.12.2015	31.12.2014	in € thousand	31.12.2015		31.12.2014
Discount rate	Increase of	0.5 %	0.5 %	Decrease of	852	Decrease of	782
	Decrease of	0.5 %	0.5 %	Increase of	972	Increase of	897
Payment trend	Increase of	0.5 %	0.5 %	Increase of	62	Increase of	27
	Decrease of	0.5 %	0.5 %	Decrease of	69	Decrease of	30
Expected mortality	Decrease of	10.0 %	10.0 %	Decrease of	12	Increase of	26

Actuarial calculations for the valuation parameters classed as material are performed in isolation, i.e. if several parameters change simultaneously, the individual effects are not cumulative due to correlation. In the case of a change to the parameters, a linear trend for the defined benefit obligation cannot be drawn from the sensitivities stated.

The obligations from working lifetime accounts were financed by paying a portion of employees' remuneration into the unit-linked pension plan by 31 December 2013. For 2016, HHLA expects payments in the amount of € 3.2 million.

Portfolio for Obligations from Working Lifetime Accounts

in %	2015	2014
Money market funds	52	52
Mixed funds	32	30
Funds of funds	15	16
Annuity funds	1	2
	100	100

Payments for Obligations from Working Lifetime Accounts
In the financial year under review, HHLA made payments for plans totalling € 47 thousand. In return, the company acquired corresponding securities holdings worth € 42 thousand. The outflow of funds therefore amounted to € 5 thousand in the year under review.

Expected Payments for Obligations from Working Lifetime Accounts which are not Hedged by Securities

in years in € thousand	
2016	263
2017	367
2018	430
2019	568
2020	545
	2,173

Defined Contribution Pension Plans

In the case of defined contribution plans, the relevant companies merely make payments to dedicated funds. There are no further obligations. HHLA does not incur any financial or actuarial risks arising from these commitments.

The costs incurred in connection with pension funds which are to be regarded as defined contribution pension plans amounted to € 4,454 thousand in the reporting year (previous year: € 4,333 thousand).

HHLA paid € 26,005 thousand (previous year: € 26,046 thousand) into the state pension system as its employer's contribution.

37. Other Non-Current and Current Provisions

Other Non-Current and Current Provisions

	Non-current		Current		Total	
in € thousand	31.12.2015	31.12.2014	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Demolition obligations	58,927	57,777	0	0	58,927	57,777
Bonuses and single payments	0	0	6,939	6,372	6,939	6,372
Anniversaries	3,039	3,116	0	0	3,039	3,116
Insurance excesses	0	0	1,901	3,468	1,901	3,468
Phased early retirement	660	18	1,066	26	1,726	44
Legal fees and litigation expenses	712	5,983	0	0	712	5,983
Expected increases in rents	0	0	298	169	298	169
Other	3,556	3,876	1,104	1,505	4,660	5,381
	66,894	70,770	11,308	11,540	78,202	82,310

Demolition Obligations

The demolition obligations relate to HHLA's Container, Logistics and Real Estate segments and are discounted at a rate of 3.0 % p. a., as in the previous year. In the reporting year, an anticipated price increase of 2.0 % was used to calculate the provisions shown. This rate is derived from the German construction cost index.

The cash outflow of these provisions is expected in the period 2025–2036.

Bonuses and Single Payments

Provisions for bonuses and one-off payments largely consist of provisions for Executive Board members and other senior staff.

Anniversaries

The provisions for anniversaries relate to Group employees' contractual entitlement to anniversary gratuities. The amount recognised is determined by an actuarial opinion. A discount rate of 2.25 % p. a. (previous year: 1.75 % p. a.) was used for the calculation.

Insurance Excesses

This obligation relates to provisions largely created by the Group's parent company to allow for potential cases of damage or loss which go beyond the existing insurance cover.

Phased Early Retirement

Provisions for phased early retirement obligations consist of HHLA's obligations from the entitlements accrued during the beneficiaries' working period, plus a supplementary amount added pro rata temporis.

The securities holdings acquired in connection with phased early retirement contracts are classified as plan assets under IAS 19 (revised 2011). They were therefore offset against the phased early retirement obligations included in the provisions. The corresponding figure of € 3,120 thousand (previous year: € 6,903 thousand) therefore reduces the provisions reported, see ▶ Note 26, page 113. In addition to this, pledged bank balances serve to cover the obligation in existence as of the balance sheet date. The amount of the provision was determined using a discount rate of 0.0 % p. a. (previous year: 0.3 % p. a.).

Legal Fees and Litigation Expenses

As of the balance sheet and as in the previous year, the obligations reported as of the balance sheet date consisted mainly of provisions for legal risks associated with pending proceedings.

Development of Other Non-Current and Current Provisions

in € thousand	01.01.2015	Additions	Accured interest	Used	Reversed	31.12.2015
Demolition obligations	57,777	1,125	1,682	377	1,280	58,927
Bonuses and single payments	6,372	6,939	0	6,147	225	6,939
Anniversaries	3,116	71	54	202	0	3,039
Insurance excesses	3,468	1,405	0	1,356	1,616	1,901
Phased early retirement	44	1,657	25	0	0	1,726
Legal fees and litigation expenses	5,983	44	0	3,118	2,197	712
Expected increases in rents	169	276	0	134	13	298
Other	5,381	1,716	1	1,926	512	4,660
	82,310	13,233	1,762	13,260	5,843	78,202

38. Non-Current and Current Financial Liabilities

Non-Current and Current Financial Liabilities as of 31 December 2015

in € thousand	Maturity up to 1 year	Maturity 1 to 5 years	Maturity over 5 years	Total
Liablities from bank loans	38,688	105,603	185,305	329,596
Finance lease liabilities	3,886	8,628	27,570	40,084
Other loans	0	639	16,500	17,139
Liabilities towards employees	15,194	0	0	15,194
Negative fair values of exchange and interest rate hedges	164	0	0	164
Other financial liabilities	34,113	26,998	174	61,285
	92,045	141,868	229,549	463,462

Non-Current and Current Financial Liabilities as of 31 December 2014

in € thousand	Maturity up to 1 year	Maturity 1 to 5 years	Maturity over 5 years	Total
Liablities from bank loans	61,448	97,713	124,909	284,070
Finance lease liabilities	4,838	8,527	26,488	39,853
Liabilities towards employees	15,237	0	0	15,237
Other loans	0	719	0	719
Negative fair values of exchange and interest rate hedges	364	193	0	557
Other financial liabilities	41,559	24,143	306	66,008
	123,446	131,295	151,703	406,444

The increase in amounts due to banks is mainly attributable to promissory note loans in the amount of € 70 million issued to banks in the 2015 financial year. These promissory note loans with a lower interest rate repay the € 65 million loan granted by HGV to the Real Estate subgroup, see also ▶ Note 48, page 141. Amounts due to banks also include interest of € 1,913 thousand accrued up to the balance sheet date (previous year: € 2,162 thousand). Transaction costs of € 713 thousand (previous year: € 584 thousand), incurred by taking out loans, only increase the amounts due to banks for the duration of the loan.

Other loans comprise a € 11.5 million loan granted by a minority shareholder in 2015 as well as promissory note loans of € 5 million issued to other creditors.

Buildings, surfacing and movable non-current assets with a carrying amount of € 4,207 thousand (previous year: € 6,869 thousand) have been pledged as collateral for interest-bearing loans. The collateral agreements provide that the assets are transferred to the banks until the loans and interest have been repaid in full and that they have a right to dispose of the assets if the borrower is in arrears with payments of interest and principal.

Liabilities from finance leases (€ 40,084 thousand; previous year: € 39,853 thousand) represent the discounted value of future payments for movable non-current assets.

The liabilities towards employees consist primarily of wages, salaries and holiday entitlements.

Other financial liabilities mainly consist of liabilities from the payment of a settlement to shareholders outside the Group. This entitlement to a financial settlement amounts to € 47,161 thousand for the financial years 2015 and 2016 (previous year: € 52,738 thousand for the financial years 2014 and 2015), see also ▶ Note 6, page 90 and ▶ Note 35, page 116.

Terms of Liabilities from Bank Loans

Interest condition	Interest rate	Currency	Remaining fixed interest period	Nominal value in TCU[1]	Carrying amount as of 31.12.2015 in € thousand
fixed	0.78 – 4.22 %	EUR	2020 and later	218,724	157,725
fixed	3.55 – 3.80 %	EUR	2019	20,890	17,970
fixed	3.79 – 3.84 %	EUR	2018	7,811	1,149
fixed	1.90 – 5.67 %	EUR	2017	33,579	6,358
fixed	2.37 – 5.61 %	EUR	2016	90,000	57,706
floating	floating + margin	EUR	2016	87,467	63,325
floating	floating + margin	USD	2016	36,000	24,163
					328,396

1 *TCU = Thousand Currency Units*

The floating interest rates are EURIBOR or LIBOR rates with maturities of one to six months.

Financial Liabilities for which Fair Value is not Equivalent to the Carrying Amount

	Carrying amount		Fair value	
in € thousand	**31.12.2015**	31.12.2014	**31.12.2015**	31.12.2014
Fixed interest bearing loans	240,908	213,804	244,891	220,630

Interest rates of 1.2 to 2.6 % p. a. (previous year: 1.7 to 2.4 % p. a.) were used to measure the fair value of fixed interest-bearing loans. The interest rates are derived from the risk-free rate depending on maturity plus a premium according to the credit rating. They therefore constitute market rates. The average interest rate for the reported liabilities from bank loans was 2.6 % in the reporting year (previous year: 3.1 %).

The variable interest rates are partly hedged by interest rate hedges (see also ▶ Note 47, page 135). As a result of borrowing, certain affiliates have covenants linked to key balance sheet figures and collateral. Violating these covenants would authorise the lender to demand additional collateral, a change to the conditions or the repayment of the loan. In order to prevent such steps, HHLA constantly monitors compliance with the covenants and, where required, implements measures to ensure that all conditions of the loan are met. As of the balance sheet date, the corresponding borrowings totalled € 67,589 thousand (previous year: € 45,265 thousand).

Maturity of Bank Liabilities

in € thousand	
Up to 1 year	36,775
1 year to 2 years	30,918
2 years to 3 years	25,311
3 years to 4 years	23,085
4 years to 5 years	26,966
Over 5 years	185,341
	328,396

39. Trade Liabilities

Trade liabilities from the financial year are only owed to third parties. As in the previous year the total amount is due within one year.

Trade Liabilities

in € thousand	31.12.2015	31.12.2014
	52,007	83,372

40. Non-Current and Current Liabilities to Related Parties

Non-Current and Current Liabilities to Related Parties as of 31 December 2015

in € thousand	Maturity up to 1 year	Maturity 1 to 5 years	Maturity over 5 years	Total
Liablities to HPA (finance leases)	342	1,894	104,410	106,646
Other liabilities to related parties	6,787	0	0	6,787
	7,129	1,894	104,410	113,433

Non-Current and Current Liabilities to Related Parties as of 31 December 2014

in € thousand	Maturity up to 1 year	Maturity 1 to 5 years	Maturity over 5 years	Total
Liablities to HGV	65,276	0	0	65,276
Liablities to HPA (finance leases)	225	1,679	104,965	106,869
Other liabilities to related parties	8,239	0	0	8,239
	73,740	1,679	104,965	180,384

The liabilities to HPA involve leased mega-ship berths at both the Container Terminal Burchardkai and the Container Terminal Tollerort in Hamburg. The amount recognised in the balance sheet is equivalent to the present value of finance lease liabilities and is based on a lease term up to and including 2062, see also ▶ Note 45, page 132 and ▶ Note 47, page 135.

Liabilities to HGV in the previous year included € 65,276 thousand from a loan pertaining to the Real Estate subgroup which attracts standard market interest along with the corresponding interest portion. In the third quarter of 2015, the loan granted by HGV was repaid by the issue of promissory note loans with a lower interest rate to banks and other creditors.

41. Other Liabilities

Other Liabilities

in € thousand	31.12.2015	31.12.2014
Tax liabilities	9,682	11,208
Employers' liability insurance premiums	4,295	4,624
Public subsidies	2,105	2,105
Port workers' welfare fund (Hafenfonds)	1,417	1,262
Advance payments received for orders	1,398	1,473
Social security payables	1,043	1,010
Other	2,903	3,152
	22,843	24,834

The decline in tax liabilities is mainly due to the reduction in VAT advance payment liabilities and payroll liabilities at domestic companies. The increase in tax liabilities at foreign companies had an offsetting effect.

The public subsidies relate to preliminary funding in connection with the promotion of intermodal transport. This will be deducted from the acquisition cost capitalised for the subsidised investments following an audit to confirm that all the requirements have been met.

There is sufficient certainty that all the conditions have been or will be fulfilled for the public subsidies to promote intermodal transport totalling € 36,987 thousand which were paid to HHLA in the period between 2001 and 2014. These subsidies have therefore already been deducted from the cost of purchasing the subsidised investments. The conditions for the subsidies include obligations to operate the subsidised equipment for a retention period of five to 20 years, observe certain operating criteria and provide the subsidising body with evidence for the use of the funds. The HHLA Group received € 967 thousand in public subsidies in the previous year.

All other liabilities have a remaining term of up to one year.

42. Income Tax Liabilities

Income Tax Liabilities

in € thousand	31.12.2015	31.12.2014
	5,303	5,534

Income tax liabilities result from expected additional payments for corporation tax, solidarity surcharge and trade tax.

When preparing the Annual Financial Statements, provisions are made for the corresponding amounts of corporation tax, solidarity surcharge and trade tax on the basis of the tax and legal situation known at the time of preparation.

Notes to the Cash Flow Statement

43. Notes to the Cash Flow Statement

Free Cash Flow

The balance of the cash inflow from operating activities and the cash outflow from investing activities makes up the free cash flow. This indicates what cash resources are available for dividend distribution or the redemption of existing loans. Free cash flow declined year-on-year from € 118,836 thousand to € 65,127 thousand, primarily as a result of lower EBIT, the decrease (previous year: increase) in trade liabilities and other liabilities, as well as a higher cash flow from investing activities.

Financial Funds

Financial funds include cash in hand and bank balances with a remaining term of up to three months and receivables and liabilities relating to HGV. Receivables from HGV are overnight deposits available on demand. They are recognised at nominal value.

Financial Funds

in € thousand	31.12.2015	31.12.2014
Cash and cash equivalents with a maturity up to 3 months	57,965	87,612
Short-term deposits with a maturity of 4 - 12 months	73,050	90,000
Bank balances and cash in hand	63,550	74,605
Cash, cash equivalents and short-term deposits	194,565	252,217
Receivables from HGV	43,900	23,400
Short-term deposits with a maturity of 4 - 12 months	- 73,050	- 90,000
Financial funds at the end of the period	165,415	185,617

Notes to the Segment Report

44. Notes to the Segment Report

The HHLA Group's segment report is prepared in accordance with the provisions of IFRS 8 Operating Segments and requires reporting on the basis of the internal reports to the Executive Board for the purpose of controlling the commercial activities. The segment performance indicator used is the internationally customary key figure EBIT (earnings before interest and taxes), which serves to measure the performance of each segment and therefore aids the internal control function.

The accounting and valuation principles applied for internal reporting comply with the principles applied by the HHLA Group described in ▶ Note 6, page 90 "Accounting and Valuation Principles".

In line with the Group's reporting structure for management purposes and in accordance with the definition in IFRS 8, the following four independent segments were identified:

Container
The Container segment pools the Group's container handling operations. The Group's activities in this segment consist primarily of handling container ships and transferring containers to other carriers (e.g. rail, truck or feeder ship). HHLA operates three container terminals in Hamburg (Altenwerder, Burchardkai and Tollerort) and another container terminal in Odessa, Ukraine. The portfolio is rounded off by supplementary container services, such as maintenance and repairs provided by its subsidiary HCCR.

Intermodal
As a core element of HHLA's business model, which is vertically integrated along the transportation chain, the Intermodal segment provides a comprehensive seaport-hinterland rail and truck network. The rail companies METRANS and POLZUG and the trucking firm CTD complete HHLA's range of services in this field.

Logistics
The Logistics segment encompasses contract and warehousing logistics as well as specialist handling services. Its service portfolio comprises stand-alone logistics services, entire process chains for the international procurement and distribution of merchandise, and the processing of cruise ships. The segment also provides consulting and management services for clients in the port and transport sectors.

Real Estate
This segment is equivalent to the Real Estate subgroup. Its business activities encompass the development, letting and management of properties. These include real estate in the Speicherstadt historical warehouse district and on the northern banks of the river Elbe (fish market area). Furthermore, industrial logistics properties and land in and around the Port of Hamburg are managed by the Holding/Other division.

The Holding/Other division used for segment reporting does not represent an independent business segment as defined by IFRS 8. However, it has been allocated to the segments within the Port Logistics subgroup in order to provide a complete and clear picture.

All of the functions and management responsibilities previously allocated to the operative holding HHLA Container Terminals GmbH (Container segment) were transferred to Hamburger Hafen und Logistik AG (Holding/Other) as of 1 August 2015. In this connection, the assets less liabilities required to perform these tasks were also transferred at their carrying amounts; the employees also switched companies.

Due to the structure of the HHLA Group, it is necessary to issue a large number of invoices for inter-segmental services. These predominantly relate to the use of real estate, IT services, administrative services, workshop services and staff provided by the holding company. As a rule, services are valued at cost price. Transfer prices may not exceed the market price of the service in question. If the company providing the service predominantly sells the relevant service on the market outside the Group, it may charge the market price, even if the cost price is lower.

The details of the reconciliation of the segment variables with the corresponding Group variables are as follows:

Earnings

The reconciliation of the segment variable EBIT to consolidated earnings before taxes (EBT) incorporates transactions between the segments and the subgroups for which consolidation is mandatory, along with the proportion of companies accounted for using the equity method, net interest income and the other financial result.

Reconciliation of the Segment EBIT with Consolidated Earnings before Taxes (EBT)

in € thousand	2015	2014
Total segment earnings (EBIT)	168,919	168,777
Elimination of business relations between segments and subgroups	- 12,380	511
Group earnings (EBIT)	156,539	169,288
Earnings from associates accounted for using the equity method	3,728	5,260
Net interest	- 33,366	- 44,998
Other financial result	944	544
Earnings before tax (EBT)	127,845	130,094

Segment Assets

The reconciliation of segment assets to Group assets incorporates not only items and financial investments for which consolidation is mandatory, but also claims arising from current and deferred income taxes and financial funds which are not to be assigned to segment assets.

Reconciliation of the Segment Assets with Group Assets

in € thousand	31.12.2015	31.12.2014
Segment assets	1,550,807	1,592,919
Elimination of business relations between segments and subgroups	- 563,376	- 579,780
Current assets before consolidation	480,627	441,428
Financial assets	17,701	16,171
Deferred tax	61,396	63,558
Income tax receivables	8,644	1,568
Cash, cash equivalents and short-term deposits	194,565	252,217
Group assets	1,750,364	1,788,081

Other Segment Information

The reconciliation to Group investments totalling € - 32,369 thousand (previous year: € - 1,014 thousand) eliminates the inter-segmental sale of property, plant and equipment and internal invoices for services to generate intangible assets.

In relation to the reconciliation of depreciation and amortisation amounting to € - 2,168 thousand (previous year: € - 756 thousand), the entire amount is attributable to the elimination of inter-company profits between the segments and the subgroups.

The reconciliation of non-cash items amounting to € - 751 thousand (previous year: € 27 thousand) includes the elimination of inter-company profits and transactions between the segments and the subgroups for which consolidation is mandatory.

Information about Geographical Regions

For the information by region, the segment revenue and disclosures on non-current segment assets are broken down in accordance with the affiliates' respective locations. In addition to items between the segments for which consolidation is mandatory, the reconciliation to Group assets primarily contains current assets, financial investments and claims arising from current and deferred income taxes.

Information about Geographical Regions

	Germany		EU		Outside EU		Total		Reconciliation with Group assets		Group	
in € thousand	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Segment income	785,109	859,804	316,446	304,588	40,263	35,209	1,141,818	1,199,601	0	0	1,141,818	1,199,601
Non-current segment assets	894,677	926,353	292,820	246,741	39,685	55,691	1,227,182	1,228,785	523,182	559,296	1,750,364	1,788,081
Investments in non-current segment assets	68,306	78,523	76,686	50,975	490	8,917	145,482	138,415	0	- 1	145,482	138,414

Information about Key Clients

Revenue of € 130,825 thousand (previous year: € 129,326 thousand) from a single client exceeds 10 % of Group revenue and relates to the Container and Intermodal segments.

Other Notes

45. Lease Liabilities

Obligations under Finance Leases

The Group has concluded various finance lease and hire-purchase agreements for a number of properties, technical equipment, and operating and office equipment. These agreements relate to, among other things, quay walls, lifting and ground-handling vehicles, container wagons and chassis, and IT hardware. For the most part, the contracts include renewal options and, in some cases, a PUT (purchase upon termination) option. The renewal options are always for the lessee; the PUT option can used by the respective lessor to force a sale.

The main obligations from finance leases result from the lease of mega-ship berths from HPA, which is a related party. The fixed lease initially runs until 2036, but HHLA anticipates that the lease terms of these assets will extend over 50 years, as in the past. The contracts make provisions for the allocation of liability in the event of nullity and the associated premature termination of the lease as a result of conflict with EU law. The Executive Board of HHLA believes the risk of a conflict with EU law is currently very low. Following the completion of a present value test, the mega-ship berth leases are to be classified as finance lease obligations according to IAS 17. Including expected increases in rent payment rates, this results in anticipated minimum lease payments of € 242,364 thousand (previous year: € 247,091 thousand).

Reconciliation between Future Minimum Lease Payments and their liabilities

in € thousand	31.12.2015	31.12.2014
Within one year	9,498	10,079
Between one and five years	31,205	29,402
Over five years	248,852	251,625
Total minimum lease payments	**289,555**	**291,106**
Within one year	4,228	5,062
Between one and five years	10,522	10,207
Over five years	131,980	131,452
Liabilities from finance leases	**146,730**	**146,721**
Interest expenses from minimum lease payments	**142,825**	**144,385**

The minimum lease payments include interest due to the long terms of the finance leases. The underlying interest rate is 4.21 to 5.56 %, see also ▶ Note 47, page 135.

Liabilities from Operating Leases where the Group is Lessee

Contracts exist between the Free and Hanseatic City of Hamburg and/or HPA and the HHLA Group for the lease of land and quay walls in the Port of Hamburg and in the Speicherstadt historical warehouse district by companies in the HHLA Group. The main contracts expire between 2025 and 2036. Under the terms of the contracts, the lease payments are generally reviewed every five years on the basis of price developments in relevant competing ports or based on appropriate rental indices. Provisions are made for the anticipated increases in lease payments. Leasing expenses for the space in the Speicherstadt historical warehouse district are partly linked to the development of Group income from subletting these buildings.

Without the prior approval of the lessor, the leased areas and the buildings on them belonging to HHLA may not be sold or let. Major changes to the terms of subletting agreements also require the approval of the lessor.

There are also leases relating to real estate and movable property at the container terminal in Odessa, Ukraine. On the whole, the rents payable for this are fixed and will only change during the course of the agreement as a result of future inflation. The company will not have purchase options at the end of the lease agreements. The respective lease agreements have terms of between four and 33 years.

The Group also has leasing agreements for various motor vehicles and items of technical equipment. These leases have an average term of four to ten years and generally do not include renewal options. The lessee takes on no obligations when signing these leases.

Future Minimum Lease Payments Obligations under Uncancellable Operating Leases

in € thousand	31.12.2015	31.12.2014
Within one year	49,055	36,672
Between one and five years	155,763	136,333
Over five years	664,911	666,808
	869,729	839,813

Expenses of € 53,350 thousand (previous year: € 51,506 thousand) were incurred for leases in the financial year. Of this figure, € 1,860 thousand (previous year: € 1,819 thousand) related to conditional rental payments.

Operating Leases where the Group is Lessor

The Group has signed leasing agreements for letting its investment properties on a commercial basis. The investment properties consist of office space, facilities and a commercial property not used by the Group. These leases have remaining uncancellable lease terms of between one and 19 years. After the end of the uncancellable lease period some contracts give tenants the option of extending the lease for a period of between two and up to a maximum of three times five years. Some leases contain a clause under which the rent can be increased in line with market conditions.

Future Minimum Lease Entitlements under Uncancellable Operating Leases for Investment Property

in € thousand	31.12.2015	31.12.2014
Within one year	35,445	32,001
Between one and five years	76,072	70,925
Over five years	67,302	32,100
	178,819	135,026

In the financial year, income of € 56,123 thousand (previous year: € 52,960 thousand) was earned from letting property, plant and equipment and investment property.

46. Contingent Liabilities and Other Financial Obligations

No provisions were formed for the following contingent liabilities because it was deemed highly unlikely that they would be utilised.

Contingent Liabilities

in € thousand	31.12.2015	31.12.2014
Guarantees	8,387	8,986
Comfort letters	2,500	2,500
	10,887	11,486

As of the reporting date, current liabilities did not yet exist for the following other financial obligations.

Other Financial Obligations

in € thousand	31.12.2015	31.12.2014
Obligations from operating leases	869,729	839,813
Outstanding purchase commitments	134,449	72,708
Other	11,559	7,571
	1,015,737	920,092

Of the obligations from outstanding purchase commitments, € 87,978 thousand (previous year: € 52,440 thousand) is attributable to investment in property, plant and equipment.

47. Management of Financial Risks

To finance its business activities, the Group uses short, medium and long-term bank loans, finance leases and hire-purchase agreements, as well as cash and short-term deposits. The Group has access to various other financial assets and liabilities, such as trade payables and receivables which arise directly from its business.

The Group also enters into derivative transactions. Derivative financial instruments are most likely to include interest rate hedging instruments such as interest rate swaps, interest rate caps and currency futures. The purpose of these derivative financial instruments is to manage interest rate, currency and commodity price risks which result from the Group's business activities and its sources of financing.

Derivative financial instruments are used to hedge existing transactions and planned transactions which are sufficiently likely to take place. Hedging transactions are only concluded with counterparties with very good credit ratings. HHLA also makes use of external ratings to assess its counterparties' creditworthiness. The Group does not hold derivative financial instruments for speculative purposes.

Interest Rate and Market Price Risk

As a result of its financing activities, the Group is exposed to an interest rate risk, which principally stems from medium to long-term borrowing at floating rates of interest.

Managing the Group's interest expenses involves a combination of fixed and floating-rate debt, depending on the market. It is Group policy to arrange the majority of interest-bearing debt at fixed rates of interest, either by agreeing fixed rates with the lenders or by taking out interest rate swaps. These are used in the HHLA Group to reduce interest rate risks and may also be used to a minor extent to reduce currency and commodity price risks. Derivatives reported in the Consolidated Financial Statements are carried at fair value based on the market prices posted by counterparties. Resulting gains and losses are recognised through profit and loss in the financial result unless the derivative financial instrument is part of a designated cash flow hedging relationship. The effective portion of unrealised gains and losses on cash flow hedges is recognised in equity without effect on profit and loss.

As of the balance sheet date, 75.9 % (previous year: 80.0 %) of the Group's borrowing was at fixed interest rates, including an amount of € 8,354 thousand (previous year: € 12,177 thousand) covered by interest rate swaps.

The fixed-interest financial instruments are not held at fair value and are therefore not subject to market price risks on the balance sheet.

Market price risks can, however, affect securities and equity investments in particular. Due to the minor scope of these instruments, the risk is deemed insignificant.

A change in the variable interest rate affects the interest expenses arising from floating-rate loans, the interest income from overnight deposits and time deposit investments, and the income from interest rate hedges and their fair value.

If the variable interest rate had been 0.5 percentage points higher as of the balance sheet date, interest expenses arising from floating-rate loans would have been € 437 thousand p. a. higher, interest income from overnight deposits and time deposit investments would have been € 1,188 thousand p. a. higher, and income from interest rate hedges would have been € 41 thousand p. a. higher. The fair value of the interest rate hedges would have risen by € 38 thousand. Of this, € 32 thousand would be recorded directly in equity and € 6 thousand would be recognised in the income statement, whose result would increase by a total of € 799 thousand before tax.

Exchange Rate Risk

Due to investments in countries outside the eurozone, changes in exchange rates can affect the balance sheet. Foreign currency risks on individual transactions, such as the sale of a shareholding for example, are hedged by currency futures or currency options if a market analysis requires it. The hedging transactions are in the same currency as the hedged item. The Group only concludes currency futures contracts when specific claims or obligations exist.

As in the previous year, there were no currency futures contracts at the balance sheet date.

Revenue in the HHLA Group is predominantly invoiced in euros or in the national currencies of the European affiliates. Investments in these countries are largely transacted in euros.

USD-denominated financial instruments are held in Ukraine, which are subject to an exchange risk. If the euro lost 10 % against the US dollar, this would have a negative impact of approx. € 2 million on equity. Depending on the parallel performance of the Ukrainian hryvnia against the US dollar, this full amount could be recognised through profit and loss and reduce the result for the period accordingly by up to around € 2 million.

For all other currencies, changes in exchange rates do not pose a material risk to the Group.

Commodity Price Risk

The Group is primarily exposed to a commodity price risk when purchasing fuel. Depending on the market situation, the Group can arrange price hedges for part of its fuel requirements. This was not the case at the balance sheet date or on 31 December 2014.

In addition to the market risks mentioned, there are also financial risks in the form of credit and liquidity risks.

Credit Risk/Default Risk

The Group only maintains customer relationships on a credit basis with recognised, creditworthy third parties. Clients who wish to complete transactions with the Group on a credit basis are subject to a credit-scoring procedure. Receivables are also monitored on an ongoing basis and impairment allowances are made if risks are identified, such that the Group is not exposed to any additional significant default risks on receivables. The maximum default risk for the trade receivables and other financial receivables is theoretically the carrying amount for the individual receivable. HHLA has also taken out loan loss insurance to minimise default risks. This covers key outstanding receivables as of the balance sheet date.

Structure of Trade Receivables

in € thousand	31.12.2015	31.12.2014
Receivables not due for payment and not written down	97,679	105,789
Overdue receivables not written down	30,451	34,432
thereof up to 30 days	23,717	26,569
thereof up to 31 to 90 days	5,222	6,127
thereof up to 91 days to one year	1,479	1,732
thereof over one year	33	4
	128,130	140,221

Development of the Valuation Allowances on Trade Receivables

in € thousand	2015	2014
Valuation allowances as of 1 January	2,902	2,443
Additions (valuation allowances recognised as expenses)	672	1,170
Used	- 644	- 401
Reversals	- 225	- 310
Valuation allowances as of 31 December	2,705	2,902

The default risk in the case of derivative financial instruments and cash, cash equivalents and short-term deposits is, in theory, that of counterparty default and is therefore equivalent to the carrying amounts of the individual financial instruments. The risk of default can be considered to be very low, since the Group as a rule only conducts derivative financial transactions and liquid investments with counterparties with very good credit ratings. In addition, credit risks may arise if the contingent liabilities listed in ▶ Note 46, page 134 are incurred.

Liquidity Risk

The Group guarantees sufficient liquidity at all times with the help of medium-term liquidity planning, by diversifying the maturities of loans and finance leases, and by means of existing lines of credit and funding commitments. If covenants have been agreed for individual loans, they are monitored on an ongoing basis to make sure they are being complied with. HHLA will introduce measures it deems necessary to ensure that the covenants are met.

For details on bank loans and other loans, finance lease liabilities, liabilities towards employees and other financial liabilities, please refer to the table of residual maturities for financial liabilities in ▶ Note 38, page 124.

Expected Liquidity Outflows due to Future Interest Payments

	Up to 1 year		1 to 5 years		Over 5 years		Total	
in € thousand	31.12.2015	31.12.2014	31.12.2015	31.12.2014	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Outflow of liquidity for future interest payments on fixed-interest loans	5,871	5,632	19,039	15,682	19,117	15,596	44,027	36,910
Outflow of liquidity for future interest payments on floating-rate loans	2,127	1,928	4,598	4,417	453	547	7,178	6,892
	7,998	7,560	23,637	20,099	19,570	16,143	51,205	43,802

It is anticipated that the interest rate swaps in place on the balance sheet date will result in the following interest outflows in the future. In this context, an interest outflow is considered to be the difference between the amount to be paid and the amount to be received.

Expected Interest Outflows from Interest Rate Swaps

in € thousand	31.12.2015	31.12.2014
Within one year	158	408
Between one and five years	0	211
Over five years	0	0
	158	619

Financial Instruments

Carrying Amounts and Fair Values

The table below shows the carrying amounts and fair value of financial assets and financial liabilities, as well as their level in the fair value hierarchy, see also ▶ Note 7, page 98.

Financial Assets as of 31 December 2015

	Carrying amount			Fair Value			
in € thousand	Loans and receivables	Available for sale	Balance sheet value	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value							
Financial assets (securities)		3,871	3,871	3,871			3,871
	0	3,871	3,871				
Financial assets not measured at fair value							
Financial assets	11,341	5,227	16,568				
Trade receivables	128,130		128,130				
Receivables from related parties	58,515		58,515				
Other financial receivables	3,286		3,286				
Cash, cash equivalents and short-term deposits	194,565		194,565				
	395,837	5,227	401,064				

Financial Liabilities as of 31 December 2015

in € thousand	Carrying amount: Held for trading	Carrying amount: Fair value – hedging instruments	Carrying amount: Other financial liabilities	Carrying amount: Balance sheet value	Fair Value: Level 1	Fair Value: Level 2	Fair Value: Level 3	Fair Value: Total
Financial liabilities measured at fair value								
Financial liabilities (interest rate swaps used for hedging transactions)	45	119		164		164		164
	45	119	0	164				
Financial liabilities not measured at fair value								
Financial liabilities (liabilities from bank loans)			329,596	329,596		333,579		333,579
Financial liabilities (finance lease liabilities)			40,084	40,084		40,084		40,084
Financial liabilities (settlement obligation)			25,534	25,534		25,534		25,534
Financial liabilities (other)			68,084	68,084				
Trade liabilities			52,007	52,007				
Liabilties to related parties (finance lease liabilties)			106,646	106,646		106,646		106,646
Liabilities to related parties (other)			6,787	6,787				
	0	0	628,738	628,738				

Financial Assets as of 31 December 2014

in € thousand	Carrying amount: Loans and receivables	Carrying amount: Available for sale	Carrying amount: Balance sheet value	Fair Value: Level 1	Fair Value: Level 2	Fair Value: Level 3	Fair Value: Total
Financial assets measured at fair value							
Financial assets (securities)		3,910	3,910	3,910			3,910
	0	3,910	3,910				
Financial assets not measured at fair value							
Financial assets	9,382	4,454	13,836				
Trade receivables	140,221		140,221				
Receivables from related parties	36,202		36,202				
Other financial receivables	1,982		1,982				
Cash, cash equivalents and short-term deposits	252,217		252,217				
	440,004	4,454	444,458				

Financial Liabilities as of 31 December 2014

	Carrying amount				Fair Value			
in € thousand	Held for trading	Fair value – hedging instruments	Other financial liabilities	Balance sheet value	Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value								
Financial liabilities (interest rate swaps used for hedging transactions)	193	364		557		557		557
	193	364	0	557				
Financial liabilities not measured at fair value								
Financial liabilities (liabilities from bank loans)			284,070	284,070		290,896		290,896
Financial liabilities (finance lease liabilities)			39,853	39,853		39,853		39,853
Financial liabilities (settlement obligation)			22,432	22,432		22,432		22,432
Financial liabilities (other)			59,532	59,532				
Trade liabilities			83,372	83,372				
Liabilties to related parties (finance lease liabilties)			106,869	106,869		106,869		106,869
Liabilities to related parties (other)			73,515	73,515				
	0	0	669,643	669,643				

In the year under review, the € 65 million loan granted by HGV (the holding company above the HHLA Group) to the Real Estate subgroup (see ▶ Note 48, page 141) was repaid following the placement of promissory note loans with a lower interest rate. Promissory note loans with a total volume of € 70 million were issued to banks and € 5 million to other creditors.

In the reporting period, gains of € 148 thousand (previous year: € 228 thousand) were recognised in the income statement on financial assets and/or liabilities held at fair value through profit and loss. These primarily relate to interest rate hedges with no effective hedging relationship as per IAS 39.

In the reporting year, changes of € 245 thousand (previous year: € 220 thousand) in the fair value of financial instruments designated as hedging instruments (interest rate swaps) were recognised directly in equity.

The interest rate swaps disclosed covered a total amount of € 8,354 thousand (previous year: € 12,177 thousand). Of these, financial instruments covering an amount of € 6,065 thousand (previous year: € 7,143 thousand) with a market value of € - 119 thousand (previous year: € - 364 thousand) were held as part of cash flow hedging relationships to hedge future cash flows from interest-bearing liabilities as of the balance sheet date. The hedged cash flows are expected to occur within 12 months. The amount covered by interest rate swaps is restated in line with the anticipated repayment of the loans over the term of the derivative.

The interest income and interest expenses recorded form part of the financial result. See ▶ Note 16, page 103.

There are no material differences between the carrying amounts and fair values of the financial instruments reported under non-current financial liabilities.

Valuation Methods and Key Unobservable Input Factors for Calculating Fair Value

The tables below show the valuation methods used for Level 2 and Level 3 fair value measurement and the key unobservable input factors utilised.

Financial Instruments Measured at Fair Value

Type	Valuation method	Key unobservable input factors	Relationship between key unobservable input factors and measurement at fair value
Financial liabilities (interest rate swaps)	Market comparison method: Fair value is based on brokers' prices. Similar contracts are traded on an active market and the prices quoted reflect the actual transactions for similar instruments. The market values are calculated with present value and option pricing models to determine the fair value. Whenever possible, these models use the relevant market prices and interest rates observed at the balance sheet date, obtained from recognised sources, as input parameters. The fair value of available for sale financial assets is determined on the basis of market prices. The relevant fixed interest rate amounts to between 3.82 to 4.33%. Any variable components to be included are based on 1-M to 6-M-EURIBOR rates. The derivatives have a remaining maturity period of up to one year.	Not applicable	Not applicable

Financial Instruments Not Measured at Fair Value

Type	Valuation method	Key unobservable input factors
Financial liabilities (liabilities from bank loans)	Discounted cash flows	Not applicable
Financial liabilities (finance lease liabilities)	Discounted cash flows	Not applicable
Liabilities to related parties (finance lease liabilities included in this item)	Discounted cash flows: The valuation model utilises the present value, taking into account contractually agreed increases in rents. Discount rates of between 4.21 and 5.56 % are used.	Not applicable

48. Related Party Disclosures

IAS 24 defines related parties as companies and individuals which directly or indirectly control or exert significant influence over the HHLA Group or over which the HHLA Group has control, joint control or significant influence.

The shareholders HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH, Hamburg (HGV), the Free and Hanseatic City of Hamburg, and, in the previous year, HHLA Beteiligungsgesellschaft mbH, Hamburg, which was merged with HGV – its shareholder – in the year under review, companies over which the Free and Hanseatic City of Hamburg has control or significant influence, the members of HHLA's Executive and Supervisory Boards, and the subsidiaries, associates and joint ventures in the HHLA Group are therefore defined as related parties. HGV is the final parent company of HHLA which publishes Consolidated Financial Statements. HHLA is the parent company of the HHLA Group.

Transactions with not Fully Consolidated Related Parties

	Income		Expenses		Receivables		Liabilities	
in € thousand	2015	2014	2015	2014	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Companies with control over the Group	69	317	2,266	4,594	45,258	24,179	0	65,276
Non-consolidated subsidiaries	18	153	1,434	308	5,427	2,956	738	1,003
Joint ventures	17,015	16,287	13,230	12,674	7,448	8,157	4,838	3,751
Associated companies	1,389	1,785	6	0	0	4	327	492
Other transactions with related parties	4,099	6,158	35,528	35,524	382	906	107,530	109,862
	22,590	24,700	52,464	53,100	58,515	36,202	113,433	180,384

In the previous year, liabilities towards related parties with control over the Group included a loan of € 65,000 thousand from HGV to the Real Estate subgroup, which attracted interest of 4.50 % p. a. until its repayment in full in the year under review. In addition, HHLA has receivables from cash clearing with HGV totalling € 43,900 thousand (previous year: € 23,400 thousand). HHLA's receivables accrued interest at a rate of between 0.10 and 0.15 % p. a. (previous year: between 0.10 and 1.00 % p. a.) in the reporting period. The interest rates for HHLA's liabilities were between 0.20 and 0.25 % p. a. (previous year: between 0.20 and 1.10 % p. a.).

Obligations from finance leases amounting to € 106,646 thousand (previous year: € 106,869 thousand) for the lease of four megaship berths from HPA are included in other transactions with related parties.

Expenses attributable to related parties mostly include rent for land and quay walls in the port and the Speicherstadt historical warehouse district.

Furthermore, HGV and the Free and Hanseatic City of Hamburg as parties related to HHLA have provided comfort letters and guarantees to lender banks for loans granted to companies in the HHLA Group. The nominal amount of the associated liabilities from bank loans is € 183,000 thousand (previous year: € 208,000 thousand), of which around € 95,916 thousand plus interest was still outstanding on the balance sheet date (previous year: € 133,959 thousand).

With effect from 18 October 2007, a partial loss compensation agreement was concluded between HHLA and HGV. HGV hereby undertakes to assume each annual deficit posted by the HHLA Real Estate subgroup as per commercial law during the term of the agreement. This applies insofar as the deficit is not compensated for by transferring amounts from retained earnings, other revenue reserves or the capital reserve which were carried forward as profit or transferred to these reserves during the term of the contract in accordance with Section 272 (2) (4) of the German Commercial Code (HGB).

Expenses and income from related parties are on standard market terms. The amounts outstanding at the year-end are not secured and – with the exception of overnight funds in clearing and the loan liability to HGV in the previous year – do not attract interest.

No loans or comparable benefits were granted to the members of the Executive and Supervisory Boards in the reporting year or in the previous year.

List of HHLA's Shareholdings by Business Sector as of 31 December 2015

Name and headquarters of the company	Share of capital held directly in %	Share of capital held indirectly in %	Equity in € thousand	Result for the financial year: Year	Result for the financial year: in € thousand
Port Logistics Subgroup					
Container Segment					
HHLA Container Terminal Burchardkai GmbH, Hamburg[1, 2, 3b]	100.0		76,961	2015	0
Service Center Burchardkai GmbH, Hamburg[1, 2, 3c]		100.0	26	2015	0
HHLA Container Terminals Gesellschaft mit beschränkter Haftung, Hamburg[1, 2, 3a]	100.0		111,449	2015	0
HCCR Hamburger Container- und Chassis-Reparatur-Gesellschaft mbH, Hamburg[1, 2, 3b]		100.0	1,942	2015	0
HHLA Container Terminal Tollerort GmbH, Hamburg[1, 2, 3b]		100.0	34,741	2015	0
HHLA Rosshafen Terminal GmbH, Hamburg[1]		100.0	20,999	2015	1,506
HHLA Container Terminal Altenwerder GmbH, Hamburg[1, 2, 3a]		74.9	80,433	2015	0
SCA Service Center Altenwerder GmbH, Hamburg[1, 2, 3c]		74.9	601	2015	0
HVCC Hamburg Vessel Coordination Center GmbH, Hamburg (formerly: FLZ Hamburger Feeder Logistik Zentrale GmbH, Hamburg)[4]		66.0	100	2015	0
Kombi-Transeuropa Terminal Hamburg GmbH, Hamburg[4]		37.5	125	2015	15
CuxPort GmbH, Cuxhaven[4]		25.1	12,186	2015	2,783
Cuxcargo Hafenbetrieb GmbH & Co. KG, Cuxhaven[5]	50.0		22	2015	7
Cuxcargo Hafenbetrieb Verwaltungs-GmbH, Cuxhaven[5]	50.0		15	2015	0
DHU Gesellschaft Datenverarbeitung Hamburger Umschlagsbetriebe mbH, Hamburg[5]	40.4		1,385	2015	842
SC HPC UKRAINA, Odessa/Ukraine[1]		100.0	28,529	2015	6,147
Intermodal Segment					
CTD Container-Transport-Dienst GmbH, Hamburg[1, 2, 3c]	100.0		1,256	2015	0
POLZUG Intermodal GmbH, Hamburg[1, 2, 3a]	100.0		7,990	2015	0
HHLA Intermodal Polska Sp. z o.o., Warsaw/Poland[1]		100.0	5,174	2015	2,058
POLZUG Intermodal Polska sp. z o.o., Warsaw/Poland[1]		100.0	- 2,174	2014	- 3,255
HHLA Terminals Polska Sp. z o.o., Warsaw/Poland[1, 5]		95.0	- 8	2015	- 6
POLZUG INTERMODAL LLC, Poti/Georgia[1]		75.0	857	2014	85
METRANS a.s., Prague/Czech Republic[1]	86.5		185,557	2015	35,634
JPFE-07 INVESTMENTS s.r.o., Ostrava/Czech Republic[1, 5]		86.5	738	2015	- 7
METRANS Adria D.O.O., Koper/Slovenia[1, 5]		86.5	794	2015	221
METRANS (Danubia) a.s., Dunajská Streda/Slovakia[1]		86.5	57,306	2015	8,823
METRANS (Danubia) Kft., Győr/Hungary[1, 5]		86.5	809	2015	467
METRANS Danubia Krems GmbH, Krems an der Donau/Austria[1, 5]		86.5	- 211	2015	13
METRANS D.O.O., Rijeka/Croatia[1, 5]		86.5	3	2015	3
METRANS DYKO Rail Repair Shop s.r.o., Prague/Czech Republic[1]		86.5	3,795	2015	101
METRANS İSTANBUL STI, Istanbul/Turkey[1, 5]		86.5	31	2015	56
METRANS Konténer Kft., Budapest/Hungary[1]		86.5	9,255	2015	- 177
METRANS Rail s.r.o., Prague/Czech Republic[1]		86.5	5,484	2015	4,901
METRANS Rail (Deutschland) GmbH, Leipzig[1]		86.5	1,596	2015	277
Univer Trans Kft., Budapest/Hungary[1, 5]		86.5	504	2015	129
METRANS Railprofi Austria GmbH, Krems an der Donau/Austria[1, 5]		69.2	733	2015	663

Name and headquarters of the company	Share of capital held		Equity	Result for the financial year	
	directly	indirectly			
	in %	in %	in € thousand	Year	in € thousand
IPN Inland Port Network Verwaltungsgesellschaft mbH, Hamburg[5]	50.0		34	2015	2
IPN Inland Port Network GmbH & Co. KG, Hamburg[5]	50.0		74	2015	- 3
Logistics Segment					
HHLA Logistics GmbH, Hamburg[1, 2, 3a]	100.0		- 1,237	2015	0
HPC Hamburg Port Consulting Gesellschaft mit beschränkter Haftung, Hamburg[1, 2, 3a]	100.0		1,367	2015	0
HPTI Hamburg Port Training Institute GmbH, Hamburg[1, 2, 3c]		100.0	102	2015	0
Uniconsult Universal Transport Consulting Gesellschaft mit beschränkter Haftung, Hamburg[1, 2, 3c]		100.0	100	2015	0
UNIKAI Lagerei- und Speditionsgesellschaft mbH, Hamburg[1]	51.0		6,987	2015	1,250
ARS-UNIKAI GmbH, Hamburg[4]		25.5	149	2015	44
HHLA Frucht- und Kühl-Zentrum GmbH, Hamburg[4]	51.0		16,212	2015	1,290
Ulrich Stein Gesellschaft mit beschränkter Haftung, Hamburg[4]	51.0		714	2015	111
Hansaport Hafenbetriebsgesellschaft mit beschränkter Haftung, Hamburg[3b, 4]	49.0		k. A.	2015	k. A.
HCC Hanseatic Cruise Centers GmbH, Hamburg[1]		51.0	773	2015	47
Holding/Other					
GHL Zweite Gesellschaft für Hafen- und Lagereiimmobilien-Verwaltung mbH, Hamburg[1, 2, 3c]	100.0		3,609	2015	0
HHLA-Personal-Service GmbH, Hamburg[1, 2, 3c]	100.0		45	2015	0
HCCR Erste Beteiligungsgesellschaft mbH, Hamburg[1, 5]		100.0	31	2015	0
Real Estate Subgroup					
Real Estate Segment					
Fischmarkt Hamburg-Altona Gesellschaft mit beschränkter Haftung, Hamburg[1, 2, 3a]	100.0		4,518	2015	0
HHLA Immobilien Speicherstadt GmbH, Hamburg[1, 5]	100.0		62	2015	9
HHLA 1. Speicherstadt Immobilien GmbH & Co. KG, Hamburg[1, 3d]	100.0		14,305	2015	1,992
HHLA 2. Speicherstadt Immobilien GmbH & Co. KG, Hamburg[1, 3d]	100.0		69,185	2015	5,437

1 *Controlled companies.*

2 *Profit and loss transfer agreements were held in these companies in 2015.*

3a *The non-disclosure option provided for in Section 264 (3) of the German Commercial Code (HGB) was used for these companies.*

3b *The non-disclosure option and the option of non-inclusion in the Management Report provided for in Section 264 (3) of the German Commercial Code (HGB) were used for these companies.*

3c *The non-disclosure option and the option of non-inclusion in the Management Report and the Notes provided for in Section 264 (3) of the German Commercial Code (HGB) were used for these companies.*

3d *The non-disclosure option provided for in Section 264b of the German Commercial Code (HGB) was used for these companies.*

4 *Companies recognised using the equity method.*

5 *Due to the minor importance of these companies, they are not recognised using the equity method in the Consolidated Financial Statements or as non-consolidated companies, but rather as equity investments.*

Remuneration for Key Management Personnel

The relevant group of people includes the current and former members of the Executive Board and their surviving dependants. The Supervisory Board and their immediate families also count as related parties. Apart from the details provided below, there were no notifiable transactions with related parties or their close relatives in the 2015 financial year.

Executive Board Remuneration

In accordance with Article 11 (2) of HHLA's articles of association, the Supervisory Board is responsible for signing and terminating service contracts with members of the Executive Board. The Supervisory Board in its entirety also establishes and regularly reviews the remuneration system for the Executive Board – including the core contractual components – based on recommendations by the Personnel Committee. As well as the responsibilities and performance of the Executive Board member concerned, the Personnel Committee primarily takes into account HHLA's size and activities, its financial and economic position, the amount and structure of Executive Board remuneration at comparable companies, and the relationship of the remuneration of the Executive Board to the remuneration of the upper levels of management and the staff in general.

The remuneration paid to Executive Board members is made up of non-performance-related fixed remuneration, a performance-related bonus, pension entitlements and other benefits. The performance-related bonus is usually set using a three-year assessment period as a basis. The calculation is based on the average earnings before interest and taxes (EBIT) for the last three years (before additions to pension provisions and less any extraordinary income from the disposal of real estate and companies), the total average return on capital employed (ROCE) and the achievement of targets relating to environmental issues (reduction of the carbon footprint of each container handled and transported) and social issues (broken down into training and continuing professional development, health and employment) over the same period. Target ranges were set for each of the sustainability components. Achieving these targets triggers the payment of the relevant bonus. When making these calculations, roughly equal weight is given to EBIT on the one hand and the above-mentioned sustainability components on the other. The variable remuneration is capped at 150 % of the basic salary. It is paid out once the Annual Financial Statements have been approved.

In addition to this, there is a pension commitment for each Executive Board member. Pensions are paid to former Executive Board members after either five or eight years' service on the Executive Board if they leave the Board for reasons unrelated to the Board member or that they have no influence over, or as a result of incapacity or due to reaching their retirement age. Pensions consist of a percentage of the entitlement salary, which is based on the annual basic salary. The percentage is between 35 and 50 %. Surviving spouses of Executive Board members receive a widow(er)'s pension of 55 to 60 % and children receive an orphan's allowance of 12 to 20 % of the pension entitlement.

Should the pension entitlement have been suspended or no longer apply, transitional or interim pay applies for a limited period on the basis of the fixed remuneration.

The service contracts valid during the year under review include a change of control clause. This stipulates that Executive Board members will receive their financial entitlement for the remaining duration of their contract, discounted by 2 % p. a. and discharged in a one-off payment, should they lose their seat on the Board. This does not affect their pension entitlements.

See the ▶ remuneration report, page 57, which forms part of the Combined Management Report, for details of the remuneration paid to individual Board members.

Remuneration of the Executive Board

in € thousand	2015	2014
Non-perfomance-related remuneration		
Basic salary	1,440	1,440
Other benefits	50	50
Performance-related remuneration	1,435	1,469
	2,925	2,959

Other benefits comprise benefits in kind, which principally relate to the use of a company car and the payment of insurance premiums.

Benefits totalling € 685 thousand (previous year: € 695 thousand) were paid to former members of the Executive Board and their surviving dependants. Provisions of € 13,911 thousand (previous year: € 13,104 thousand) have been recognised for pension commitments to current Executive Board members and provisions of € 11,398 thousand (previous year: € 12,741 thousand) have been recognised for pension commitments to former Executive Board members and their surviving dependants.

Supervisory Board Remuneration
In accordance with Section 16 of HHLA's articles of association, Supervisory Board members are remunerated as resolved by the Annual General Meeting. This remuneration is based on the scope of the Supervisory Board members' activities as well as on the company's financial position and results. The current remuneration clause was adopted at the Annual General Meeting held on 13 June 2013.

The members of the Supervisory Board receive fixed remuneration of € 13,500 per financial year. The Chairman receives three times this amount and the Vice Chairman is paid one and a half times the basic figure. Supervisory Board members who belong to a committee receive an additional € 2,500 per committee per financial year, while the Chairman of the respective committee receives € 5,000, but altogether no more than € 10,000. Furthermore, Supervisory Board members receive an attendance fee of € 250 for each meeting of the Supervisory Board or one of its committees. Supervisory Board members who have belonged to the Supervisory Board or a committee for less than one full financial year receive a corresponding pro rata payment.

The remuneration paid to the Supervisory Board in the financial year under review totalled € 300 thousand (previous year: € 275 thousand).

49. Members of Company Boards and their Mandates

The Supervisory Board Members and their Mandates

Seats on statutory supervisory board or comparable supervisory bodies at domestic and foreign companies.

Prof. Dr. Peer Witten (Chairman)

Fully qualified business administration manager, Hamburg
Former member of the Otto Group Executive Board

Other mandates

- Forum Grundstücksgesellschaft GmbH & Co. KG, Hamburg
- Lufthansa Cargo AG, Frankfurt am Main (until 31 August 2015)
- Otto AG für Beteiligungen, Hamburg
- Röhlig & Co. Holding GmbH & Co. KG, Bremen
- Verwaltungsgesellschaft Otto mbH, Hamburg

Wolfgang Abel (Vice Chairman)

Postal worker, Bad Oldesloe
Trade union secretary, ver.di Hamburg

Other mandates

- Asklepios Kliniken Hamburg GmbH, Hamburg

Torsten Ballhause

Fully qualified business and employment lawyer (HWP), Hamburg
Local manager of the Transport division, ver.di Hamburg

Other mandates

- HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH, Hamburg
- HHLA Container Terminals Gesellschaft mit beschränkter Haftung, Hamburg (Vice Chairman)
- Member of the Management Committee of Hafenfonds der Gesamthafen-Betriebsgesellschaft mbH, Hamburg

Petra Bödeker-Schoemann

Fully qualified business administration manager, Hamburg
Managing Director of HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH

Other mandates

- Gesellschaft zur Beseitigung von Sonderabfällen mbH, Kiel
- GMH Gebäudemanagement Hamburg GmbH, Hamburg
- HADAG Seetouristik und Fährdienst AG, Hamburg
- Hamburger Wasserwerke GmbH, Hamburg
- HHLA 1. Speicherstadt Immobilien GmbH & Co. KG, Hamburg (Chairwoman)
- HHLA 2. Speicherstadt Immobilien GmbH & Co. KG, Hamburg (Chairwoman)
- HHLA Container Terminals Gesellschaft mit beschränkter Haftung, Hamburg
- HHLA Immobilien Speicherstadt GmbH, Hamburg (Chairwoman)
- IMPF Hamburgische Immobilien Management Gesellschaft mbH, Hamburg
- P+R-Betriebsgesellschaft mbH, Hamburg
- SAGA Siedlungs-Aktiengesellschaft Hamburg, Hamburg
- SBH Schulbau Hamburg, Hamburg
- SGG Städtische Gebäudeeigenreinigung GmbH, Hamburg
- Stromnetz Hamburg GmbH, Hamburg

Dr. Rolf Bösinger (since 18 February 2016)

Fully qualified economist, Hamburg
State Secretary at the Hamburg Ministry for the Economy, Transport and Innovation (since 17 April 2015)

Other mandates

- CGH Cruise Gate Hamburg GmbH (Chairman) (27 May 2015 until 31 December 2015)
- Erneuerbare Energien Hamburg Clusteragentur GmbH, Hamburg (Chairman) (since 6 July 2015)
- Hamburgische Investitions- und Förderbank A. ö. R. (since 27 May 2015)
- HGV, Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH, Hamburg (since 27 May 2015)
- HWF Hamburgische Gesellschaft für Wirtschaftsförderung mbH, Hamburg (Chairman) (since 11 June 2015)
- hySOLUTIONS GmbH, Hamburg (Chairman) (since 14 December 2015)
- Life Science Nord Management GmbH, Hamburg (Chairman) (since 19 June 2015)
- WTSH Wirtschaftsförderung und Technologietransfer Schleswig-Holstein GmbH (since 15 September 2015)
- ZAL Zentrum für Angewandte Luftfahrtforschung GmbH, Hamburg (Chairman) (since 24 June 2015)

Dr. Bernd Egert

Physicist, Winsen (Luhe)
State Secretary at the Hamburg Ministry for the Economy, Transport and Innovation (until 16 March 2015)

Other mandates

- CGH Cruise Gate Hamburg GmbH (until 26 May 2015)
- Erneuerbare Energien Hamburg Clusteragentur GmbH, Hamburg (Chairman) (until 6 July 2015)
- Flughafen Hamburg GmbH, Hamburg (until 27 May 2015)
- Hamburgische Investitions- und Förderbank A. ö. R. (until 26 May 2015)
- HGV, Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH, Hamburg (until 26 May 2015)
- HWF Hamburgische Gesellschaft für Wirtschaftsförderung mbH, Hamburg (Chairman) (until 10 June 2015)
- hySOLUTIONS GmbH, Hamburg (Chairman) (until 13 December 2015)
- Life Science Nord Management GmbH, Hamburg (Chairman) (until 18 June 2015)
- WTSH Wirtschaftsförderung und Technologietransfer Schleswig-Holstein GmbH (until 14 September 2015)
- ZAL Zentrum für Angewandte Luftfahrtforschung GmbH, Hamburg (Chairman) (until 23 June 2015)

Holger Heinzel

Fully qualified business administration manager, Hittfeld
Director of Finance and Controlling at HHLA

Other mandates

- HHLA 1. Speicherstadt Immobilien GmbH & Co. KG, Hamburg
- HHLA 2. Speicherstadt Immobilien GmbH & Co. KG, Hamburg
- HHLA Immobilien Speicherstadt GmbH, Hamburg
- Member of the Management Committee of Hafenfonds der Gesamthafen-Betriebsgesellschaft mbH, Hamburg

Dr. Norbert Kloppenburg

Fully qualified agricultural engineer, Hamburg
Member of the Executive Board of KfW Bankengruppe

Other mandates
- DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH, Cologne (First Vice Chairman)
- Deutsche Energie-Agentur GmbH, Berlin
- KfW IPEX-Bank GmbH, Frankfurt am Main (Chairman)

Frank Ladwig

Port technician, Hamburg
Chairman of the works council of HHLA Container Terminal Tollerort GmbH
Chairman of the Group works council

Other mandates
- HHLA Container Terminals Gesellschaft mit beschränkter Haftung, Hamburg
- HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH, Hamburg

Stephan Möller-Horns (11 December 2015 to 9 February 2016)

Fully qualified economist, Lüneburg
Departmental Head at the Hamburg Ministry for the Economy, Transport and Innovation

Other mandates
- HHLA 1. Speicherstadt Immobilien GmbH & Co. KG, Hamburg (11 December 2015 to 9 February 2016)
- HHLA 2. Speicherstadt Immobilien GmbH & Co. KG, Hamburg (11 December 2015 to 9 February 2016)
- HHLA Immobilien Speicherstadt GmbH, Hamburg (11 December 2015 to 9 February 2016)

Arno Münster

Port technician, Hamburg

Other mandates
- HHLA 1. Speicherstadt Immobilien GmbH & Co. KG, Hamburg
- HHLA 2. Speicherstadt Immobilien GmbH & Co. KG, Hamburg
- HHLA Immobilien Speicherstadt GmbH, Hamburg

Norbert Paulsen

Fully qualified engineer, Hamburg
Chairman of the joint works council of Hamburger Hafen und Logistik AG

Other mandates
- HHLA 1. Speicherstadt Immobilien GmbH & Co. KG, Hamburg (Vice Chairman)
- HHLA 2. Speicherstadt Immobilien GmbH & Co. KG, Hamburg (Vice Chairman)
- HHLA Immobilien Speicherstadt GmbH, Hamburg (Vice Chairman)

Michael Pirschel (until 10 December 2015)

Fully qualified economist, Bispingen
Departmental Head at the Hamburg Ministry for the Economy, Transport and Innovation (until 30 November 2015)

Other mandates
- Fischmarkt Hamburg-Altona Gesellschaft mit beschränkter Haftung, Hamburg (until 10 December 2015)
- HHLA 1. Speicherstadt Immobilien GmbH & Co. KG, Hamburg (until 10 December 2015)
- HHLA 2. Speicherstadt Immobilien GmbH & Co. KG, Hamburg (until 10 December 2015)
- HHLA Container Terminals Gesellschaft mit beschränkter Haftung, Hamburg (until 10 December 2015)
- HHLA Immobilien Speicherstadt GmbH, Hamburg (until 10 December 2015)

Dr. Sibylle Roggencamp

Fully qualified economist, Molfsee
Head of the Office for Asset and Investment Management at the Hamburg Ministry of Finance

Other mandates

- Elbphilharmonie und Laeiszhalle Service GmbH, Hamburg
- Flughafen Hamburg GmbH, Hamburg
- Hamburg Musik GmbH, Hamburg
- Hamburger Hochbahn AG, Hamburg
- Hamburgischer Versorgungsfonds AöR, Hamburg
- HHLA 1. Speicherstadt Immobilien GmbH & Co. KG, Hamburg
- HHLA 2. Speicherstadt Immobilien GmbH & Co. KG, Hamburg
- HHLA Immobilien Speicherstadt GmbH, Hamburg
- IMPF Hamburgische Immobilien Management Gesellschaft mbH, Hamburg (since 23 October 2015)
- Sprinkenhof GmbH, Hamburg (formerly: SpriAG – Sprinkenhof AG, Hamburg) (Chairwoman)
- Stromnetz Hamburg GmbH, Hamburg
- Universitätsklinikum Hamburg KöR, Hamburg
- Vattenfall Wärme Hamburg GmbH, Hamburg

Supervisory Board Committees

Finance Committee

- Dr. Sibylle Roggencamp (Chairwoman)
- Frank Ladwig (Vice Chairman)
- Torsten Ballhause
- Dr. Norbert Kloppenburg
- Stephan Möller-Horns (11 December 2015 to 9 February 2016)
- Arno Münster
- Michael Pirschel (until 10 December 2015)

Audit Committee

- Dr. Norbert Kloppenburg (Chairman)
- Arno Münster (Vice Chairman)
- Torsten Ballhause
- Petra Bödeker-Schoemann
- Stephan Möller-Horns (11 December 2015 to 9 February 2016)
- Norbert Paulsen
- Michael Pirschel (until 10 December 2015)

Real Estate Committee

- Petra Bödeker-Schoemann (Chairwoman)
- Norbert Paulsen (Vice Chairman)
- Holger Heinzel
- Stephan Möller-Horns (11 December 2015 to 9 February 2016)
- Arno Münster
- Michael Pirschel (until 10 December 2015)
- Dr. Sibylle Roggencamp

Personnel Committee

- Prof. Dr. Peer Witten (Chairman)
- Wolfgang Abel (Vice Chairman)
- Dr. Bernd Egert
- Frank Ladwig
- Arno Münster
- Dr. Sibylle Roggencamp

Nomination Committee

- Prof. Dr. Peer Witten (Chairman)
- Dr. Bernd Egert (Vice Chairman)
- Dr. Sibylle Roggencamp

Arbitration Committee

- Prof. Dr. Peer Witten
- Wolfgang Abel
- Dr. Bernd Egert
- Frank Ladwig

The Executive Board Members and their Mandates

Seats on statutory supervisory board or comparable supervisory bodies at domestic and foreign companies.

Klaus-Dieter Peters (Chairman)

Forwarding merchant, Hamburg
First appointed: 2003

Areas of responsibility
- Corporate Development
- Corporate Communications
- Sustainability
- Intermodal Segment
- Logistics Segment

Other mandates
- CTD Container-Transport-Dienst GmbH, Hamburg
- HHLA Container Terminal Altenwerder GmbH, Hamburg
- HHLA Container Terminal Burchardkai GmbH, Hamburg
- HHLA Container Terminal Tollerort GmbH, Hamburg
- HHLA Container Terminals Gesellschaft mit beschränkter Haftung, Hamburg (until 31 August 2015)
- HHLA Frucht- und Kühl-Zentrum GmbH, Hamburg
- HHLA Logistics GmbH, Hamburg
- HPC Hamburg Port Consulting Gesellschaft mit beschränkter Haftung, Hamburg
- METRANS a.s., Prague, Czech Republic
- POLZUG Intermodal GmbH, Hamburg
- SCA Service Center Altenwerder GmbH, Hamburg
- Service Center Burchardkai GmbH, Hamburg
- Ulrich Stein Gesellschaft mit beschränkter Haftung, Hamburg
- UNIKAI Lagerei- und Speditionsgesellschaft mbH, Hamburg

Dr. Stefan Behn

Fully qualified business administration manager, Hamburg
First appointed: 1996

Areas of responsibility
- Container Sales
- Container Operations
- Container Engineering
- Information Systems

Other mandates
- Cuxcargo Hafenbetrieb GmbH & Co. KG, Cuxhaven
- Cuxcargo Hafenbetrieb Verwaltungs-GmbH, Cuxhaven
- DAKOSY Datenkommunikationssystem AG, Hamburg
- HCC Hanseatic Cruise Centers GmbH, Hamburg
- HCCR Hamburger Container- und Chassis-Reparatur-Gesellschaft mbH, Hamburg
- HHLA Container Terminal Altenwerder GmbH, Hamburg
- HHLA Container Terminal Burchardkai GmbH, Hamburg
- HHLA Container Terminal Tollerort GmbH, Hamburg
- HHLA Rosshafen Terminal GmbH, Hamburg
- HPC Hamburg Port Consulting Gesellschaft mit beschränkter Haftung, Hamburg
- SCA Service Center Altenwerder GmbH, Hamburg
- Service Center Burchardkai GmbH, Hamburg

Heinz Brandt

Legal assessor, Bremen
First appointed: 2009

Areas of responsibility
- Human Resources
- Purchasing and Materials Management
- Health and Safety in the Workplace
- Legal and Insurance[1]

Other mandates
- Gesamthafenbetriebs-Gesellschaft mbH, Hamburg
- GHL Zweite Gesellschaft für Hafen- und Lagereiimmobilien-Verwaltung mbH, Hamburg
- HCCR Hamburger Container- und Chassis-Reparatur-Gesellschaft mbH, Hamburg
- HHLA Logistics GmbH, Hamburg
- HHLA-Personal-Service GmbH, Hamburg
- HPC Hamburg Port Consulting Gesellschaft mit beschränkter Haftung, Hamburg
- Member of the Management Committee of Hafenfonds der Gesamthafen-Betriebsgesellschaft mbH, Hamburg

Dr. Roland Lappin

Fully qualified industrial engineer, Hamburg
First appointed: 2003

Areas of responsibility
- Finance and Controlling[2]
- Investor Relations
- Internal Audit
- Real Estate Segment

Other mandates
- Fischmarkt Hamburg-Altona Gesellschaft mit beschränkter Haftung, Hamburg
- GHL Zweite Gesellschaft für Hafen- und Lagereiimmobilien-Verwaltung mbH, Hamburg
- Hansaport Hafenbetriebsgesellschaft mbH, Hamburg
- HHLA Container Terminal Burchardkai GmbH, Hamburg
- HHLA Container Terminals Gesellschaft mit beschränkter Haftung, Hamburg (until 31 August 2015)
- HHLA Frucht- und Kühl-Zentrum GmbH, Hamburg
- HHLA Rosshafen Terminal GmbH, Hamburg
- IPN Inland Port Network GmbH & Co. KG, Hamburg
- IPN Inland Port Network Verwaltungsgesellschaft mbH, Hamburg
- METRANS a.s., Prague, Czech Republic
- POLZUG Intermodal GmbH, Hamburg
- Service Center Burchardkai GmbH, Hamburg
- Ulrich Stein Gesellschaft mit beschränkter Haftung, Hamburg
- UNIKAI Lagerei- und Speditionsgesellschaft mbH, Hamburg

1 Including Compliance
2 Including Organisation

50. German Corporate Governance Code

HHLA has based its corporate governance on the recommendations and suggestions of the German Corporate Governance Code (the Code) as published on 24 June 2014 and – subsequent to its taking effect – the version dated 5 May 2015. It will continue to comply with these recommendations and suggestions in future. Information on corporate governance at HHLA and a detailed report on the amount and structure of the remuneration paid to the Supervisory Board and Executive Board can be found in the Group Management Report and ▶ Note 48, page 141 of this report. The Executive Board and Supervisory Board discussed matters of corporate governance in 2015 and on 9 December 2015 issued the declaration of compliance 2015 in accordance with Section 161 of the German Stock Corporation Act (AktG), which is permanently available to shareholders on the company's website under www.hhla.de.

51. Auditing Fees

Fees for auditing financial statements primarily consist of the fees for the audit of the Consolidated Financial Statements and for the audits of the financial statements of Hamburger Hafen und Logistik Aktiengesellschaft and its domestic subsidiaries. In the year under review and the previous year, fees for other certification services related predominantly to the qualified review of Interim Financial Statements. Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft was appointed as the auditor for the 2015 financial year.

Auditing Fees

in € thousand	2015	2014
Audit of financial statements	457	480
Other certification services	98	105
Other services	50	13
	605	598

52. 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 net assets, financial and earnings position, revaluations due to the economic developments and the deterioration of the economic environment in Ukraine, also cannot be excluded.

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

Hamburg, 2 March 2016

Hamburger Hafen und Logistik Aktiengesellschaft

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

Annual Financial Statements of the Parent Company

The annual financial statement and combined management report of Hamburger Hafen und Logistik Aktiengesellschaft, Hamburg, for the 2015 financial year have been prepared according to the provisions of German commercial law and have been endorsed with an unrestricted auditor's certificate by the auditors of Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft.

Income Statement

in €	2015	2014
Revenue	121,225,080.51	135,830,235.84
Increase or decrease in work in progress	- 457,740.37	- 321,189.60
Own work capitalised	465,143.78	530,383.50
Other operating income	17,089,859.90	3,435,167.47
of which income from translation differences	4,163.59	2,465.85
Cost of materials	3,274,447.17	5,438,782.46
Expenses for raw materials, consumables, supplies and purchased merchandise	2,770,694.52	4,188,591.79
Expenses for purchased services	503,752.65	1,250,190.67
Personnel expenses	111,346,012.60	102,947,141.59
Wages and salaries	93,374,437.16	91,590,777.74
Social security contributions and expenses for pension and similar benefits	17,971,575.44	11,356,363.85
of which for pensions	2,654,290.20	- 3,628,034.24
Depreciation and amortisation on intangible fixed assets and property, plant and equipment	4,052,138.27	6,175,958.47
Other operating expenses	29,660,333.18	34,337,418.57
of which expenses from translation differences	6,005.18	2,772.33
Income from profit transfer agreements	66,553,031.57	109,538,656.92
Income from equity participations	23,470,713.24	17,805,193.89
of which from affiliated companies	20,409,102.24	14,936,284.89
Other interest and similar income	4,391,440.97	5,482,839.04
of which from affiliated companies	3,790,312.30	3,971,577.90
Expenses from assumed losses	8,367,801.39	16,558,290.84
Interest and similar expenses	40,429,816.33	28,749,481.92
of which to affiliated companies	2,221,823.58	3,104,064.42
of which from accrued interest	37,468,292.92	24,797,121.54
Result from ordinary income	**35,606,980.66**	**78,094,213.21**
Taxes on income	6,161,198.82	27,639,169.89
of which income from the change unrecognized taxes	7,767,087.30	1,176,116.38
Other taxes	333,146.25	430,122.83
Net profit for the year	**29,112,635.59**	**50,024,920.49**
Profit carried forward from the previous year	233,971,891.95	218,849,571.76
Dividend distributed	40,482,143.68	34,902,600.30
Unappropriated profit	**222,602,383.86**	**233,971,891.95**

Balance Sheet as of 31 December 2015

in €	31.12.2015	31.12.2014
ASSETS		
Intangible assets		
Purchased software	2,371,430.30	2,440,196.55
Payments in advance and software in development	1,192,368.55	0.00
	3,563,798.85	2,440,196.55
Property, plant and equipment		
Land, equivalent land rights and buildings, including buildings on leased land	4,794,148.40	99,811,962.77
Technical equipment and machinery	90,630.47	2,059,738.30
Other plant, operating and office equipment	2,047,438.18	2,303,078.18
Payments made on account and plant under construction	121,979.86	386,271.16
	7,054,196.91	104,561,050.41
Financial assets		
Interests in affiliated companies	367,327,229.27	308,899,084.75
Loans to affiliated companies	11,500,000.00	0.00
Equity investments	7,604,179.45	7,558,163.18
Non-current securities	943,085.62	939,049.76
	387,374,494.34	317,396,297.69
Non-current assets	397,992,490.10	424,397,544.65
Inventories		
Raw materials, consumables and supplies	154,691.46	174,551.06
Work in progress	1,252,719.19	1,710,459.56
	1,407,410.65	1,885,010.62
Receivables and other assets		
Trade receivables	867,842.20	915,638.24
Receivables from the Free and Hanseatic City of Hamburg	12,656.13	381,876.18
Receivables from the HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH, Hamburg	43,906,458.90	0.00
Receivables from affiliated companies	378,617,204.52	380,090,183.12
Receivables from investee companies	4,720,951.01	6,244,124.65
Other assets	11,351,621.71	4,913,789.49
	439,476,734.47	392,545,611.68
Cash and cash equivalents	164,202,688.63	226,533,092.78
Current assets	605,086,833.75	620,963,715.08
Accruals and deferrals	739,799.56	1,938,277.36
Deferred tax assets	35,478,457.10	28,422,565.69
Balance sheet total	1,039,297,580.51	1,075,722,102.78

in €	31.12.2015	31.12.2014
EQUITY AND LIABILITIES		
Equity		
Subscribed capital		
Port Logistics subgroup	70,048,834.00	70,048,834.00
Real Estate subgroup	2,704,500.00	2,704,500.00
	72,753,334.00	72,753,334.00
Capital reserve		
Port Logistics subgroup	136,771,470.63	136,771,470.63
Real Estate subgroup	506,206.26	506,206.26
	137,277,676.89	137,277,676.89
Statutory reserve		
Port Logistics subgroup	5,125,000.00	5,125,000.00
Real Estate subgroup	205,000.00	205,000.00
	5,330,000.00	5,330,000.00
Other earnings reserves		
Port Logistics subgroup	56,105,325.36	56,105,325.36
Real Estate subgroup	1,322,353.86	1,322,353.86
	57,427,679.22	57,427,679.22
Retained earnings	62,757,679.22	62,757,679.22
Unappropriated profit		
Port Logistics subgroup	199,044,818.51	212,936,837.97
Real Estate subgroup	23,557,565.35	21,035,053.98
	222,602,383.86	233,971,891.95
Equity	495,391,073.97	506,760,582.06
Provisions		
Provisions for pensions and similar obligations	313,095,443.46	293,516,486.26
Tax provisions	33,620.28	3,811,826.74
Other provisions	22,244,010.29	28,354,002.39
	335,373,074.03	325,682,315.39
Liabilities		
Liabilities from bank loans	76,237,999.73	27,542,962.00
Payments on account	1,611,568.19	2,111,397.00
Trade Liabilities	1,266,417.73	2,831,306.67
Liabilities towards the Free and Hanseatic City of Hamburg	5,167.63	5,173.72
Liabilities towards HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH, Hamburg	0.00	41,870,502.20
Liabilities towards affiliated companies	107,621,393.32	151,813,497.44
Liabilities towards investee companies	3,746,352.30	2,846,975.18
Other liabilities	13,516,189.42	8,677,072.52
of which from taxes	3,536,812.32	4,834,565.15
of which for social security	917,536.31	1,179,760.99
	204,005,088.32	237,698,886.73
Accruals and deferrals	0.00	340,778.52
Deferred tax liabilities	4,528,344.19	5,239,540.08
Balance sheet total	1,039,297,580.51	1,075,722,102.78

Auditor's Report

"We have audited the consolidated financial statements prepared by Hamburger Hafen und Logistik Aktiengesellschaft, Hamburg, comprising the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity, the cash flow statement and the notes to the consolidated financial statements, together with the combined management report for the fiscal year from 1 January to 31 December 2015. The preparation of the consolidated financial statements and the combined management report in accordance with IFRSs [International Financial Reporting Standards] as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB ["Handelsgesetzbuch": German Commercial Code] and supplementary provisions of the articles of incorporation and by-laws is the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated financial statements and on the combined management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Sec. 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the combined management report are detected with reasonable assurance.

Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the combined management report are examined primarily on a test basis within the framework of the audit.

The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the combined management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRSs as adopted by the EU, the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB and supplementary provisions of the articles of incorporation and by-laws and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The combined management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development."

Hamburg, 2 March 2016

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Grummer Wirtschaftsprüfer [German Public Auditor]	Brorhilker Wirtschaftsprüfer [German Public Auditor]

Assurance of the Legal Representatives

To the best of our knowledge, and in accordance with the applicable accounting principles for financial reporting, the Consolidated Financial Statements give a true and fair view of the assets, financial and earnings position of the Group, and the Group Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group for the coming financial year.

Hamburg, 2 March 2016

Hamburger Hafen und Logistik Aktiengesellschaft

The Executive Board

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