# 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.