Course of business and economic situation

Key figures

in € million	2018	2017	Change
Revenue	1,291.1	1,251.8	3.1 %
EBITDA	318.5	295.8	7.7 %
EBITDA margin in %	24.7	23.6	1.1 pp
EBIT	204.2	173.2	17.9 %
EBIT margin in %	15.8	13.8	2.0 pp
Profit after tax and minority interests	112.3	81.1	38.5 %
At-equity earnings	5.3	4.8	11.9 %
ROCE in %	14.8	13.1	1.7 pp

Overall view

Despite a gloomier market environment in the second half of the year, the HHLA Group developed very successfully in 2018. There was a slight increase in container throughput due to the consistently positive trend in Far East volumes and the successful integration of Estonia's largest terminal operator, TK Estonia, acquired during the reporting period. Container transport managed to repeat the strong results of the previous year, driven mainly by rail transport. Developments at HHLA's two largest segments led to moderate growth in revenue at Group level. The operating result (EBIT) was well above the prior-year figure, as around € 25 million was expensed in the previous year for organisational restructuring and the harmonisation of pension schemes. But even adjusted for this effect, there was still moderate growth in the operating result (EBIT) above the level of revenue growth.

As there were no significant events in the 2018 financial year, the disclosures made by the HHLA Executive Board in the 2017 Annual Report concerning the expected course of business in 2018 remained valid throughout the reporting period. Guidance was confirmed by and, in some cases, even exceeded by the actual figures. The HHLA Group continued to scale its capital expenditure to actual needs during the reporting period. Delays to individual projects resulted in postponements until 2019.

Forecast and actual figures

	Actual 31.12.2017	Forecast 28.03.2018	**Actual 31.12.2018**
Container throughput	7.2 million TEU	At previous year's level	7.3 million TEU
Container transport	1.5 million TEU	At previous year's level	1.5 million TEU
Revenue	€ 1,251.8 million	At previous year's level	€ 1,291.2 million
EBIT	€ 173.2 million	Significant increase	€ 204.2 million
Capital expenditure	€ 142.6 million	In the range of € 200 million	€ 141.3 million

As a result of its business trend in 2018, HHLA's financial position at the end of the reporting period on 31 December 2018 remained stable. Changes in the capital structure due to borrowing led to a decrease of 1.6 percentage points in the equity ratio to 31.2 % (previous year: 32.8 %), while the gearing ratio rose from 2.3 to 2.5. There were no further refinancing needs as of the balance sheet date.

Notes on the reporting

Due to the high level of flexibility required in the sector, handling and transport services are not generally ordered or guaranteed months in advance. Consequently, an order backlog and order trends do not serve as reporting indicators as they do in other industries.

During the reporting period, HHLA increased its level of investment in METRANS a.s., Prague, Czech Republic, and now holds 100 % of shares in the company. On 26 March 2018, HHLA also signed an agreement to acquire 100 % of shares in the terminal operator HHLA TK Estonia (previously: Transiidikeskuse AS) based in Tallinn, Estonia. Upon fulfilment of the conditions precedent, HHLA acquired control on 27 June 2018.

The 2018 consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) applicable in the European Union, taking into consideration the interpretations of the International Financial Reporting Interpretations Committee (IFRIC). The Group Management Report was prepared in line with the requirements of German Accounting Standard no. 20 (GAS 20).

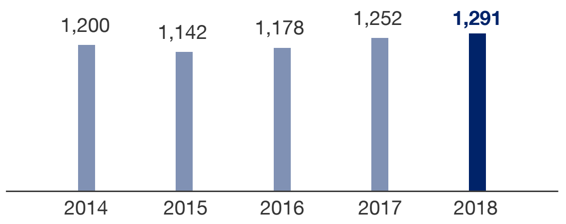
Earnings position

HHLA's **performance data** displayed a very stable development in 2018. At 7,336 thousand TEU, there was a slight rise of 1.9 % in container throughput (previous year: 7,196 thousand TEU). The increase was mainly due to the takeover of the container terminal in Tallinn and a rise in Asian traffic at the Port of Hamburg and was achieved in spite of the adverse effect from the takeover of Hamburg Süd by the shipping company Maersk and the resulting removal of a service from the HHLA terminals. At 1,480 thousand TEU, transport volume remained at the high level of the previous year. The decrease in road transport was offset by a rise in rail transport.

Against this background, **revenue** of the HHLA Group rose by 3.1 % to € 1,291.1 million (previous year: € 1,251.8 million) in the reporting period. All four segments of HHLA contributed to this rise. In particular, the increase was facilitated by a rise in rail's share and longer transport distances in the Intermodal segment, the revenues of the container terminal in Tallinn and temporary additional business in the area of vehicle logistics. The listed Port Logistics subgroup largely developed in line with the HHLA Group as a whole. Its Container, Intermodal and Logistics segments recorded an overall increase in revenue of 3.1 % to € 1,258.5 million (previous year: € 1,220.3 million). The non-listed Real Estate subgroup achieved a similar increase in revenue of 3.6 % to € 39.3 million (previous year: € 37.9 million). The Real Estate subgroup thus accounted for 2.5 % of Group revenue.

Revenue

in € million



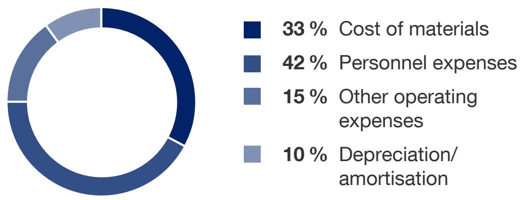
At € 0.4 million, **changes in inventories** once again had no material impact in the reporting period (previous year: € - 0.3 million). **Own work capitalised** decreased to € 5.2 million (previous year: € 5.4 million).

There was no significant year-on-year change in **other operating income**.

Due to opposing trends in the expenditure types, **operating expenses** rose slightly by 1.0 % to € 1,134.0 million (previous year: € 1,123.2 million).

Operating expenses

Expense structure 2018



Compared to the previous year, the **cost of materials** was reduced slightly by 0.9 % to € 367.1 million (previous year: € 370.5 million). The decline in the cost of materials ratio to 28.4 % (previous year: 29.6 %) resulted from an increase in vertical integration in rail transport, as well as from the decrease in track fees for German rail freight.

Personnel expenses rose by 3.6 % to € 480.6 million (previous year: € 463.8 million). In addition to higher union wage rates, other factors included the Budapest terminal put into operation in mid 2017 and the integration of the container terminal in Tallinn. The previous year's figure included expenses for organisational restructuring in the Container segment. The personnel expense ratio remained virtually unchanged at 37.2 % (previous year: 37.1 %).

Other operating expenses increased moderately by 3.5 % in the reporting period to € 172.1 million (previous year: € 166.3 million). The main causes were maintenance work on locomotives, consultancy services (including on HHLA's digital strategy) and increased rental and leasing expenses. The previous year's figure included expenses for the harmonisation of existing pension schemes. The ratio of expenses to revenue remained unchanged at 13.3 %.

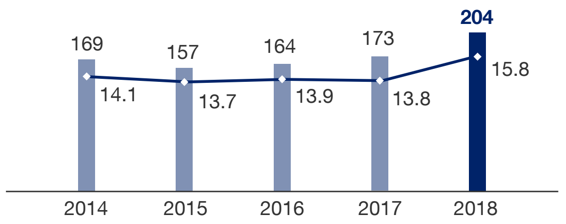
Depreciation and amortisation fell considerably by 6.8 % year-on-year to € 114.2 million (previous year: € 122.6 million). This was partly due to the revaluation of the useful lives of storage cranes and container wagons.

Against the background of these developments, the **operating result before depreciation and amortisation (EBITDA)** rose by 7.7 % to € 318.5 million (previous year: € 295.8 million) and thus more strongly than revenue. There was a corresponding moderate increase in the EBITDA margin to 24.7 % (previous year: 23.6 %).

The **operating result (EBIT)** was increased by 17.9 % to € 204.2 million in the reporting period (previous year: € 173.2 million). As a result of the significantly stronger rise compared to revenue, the EBIT margin increased considerably to 15.8 % (previous year: 13.8 %). In the Port Logistics subgroup, EBIT rose by 20.3 % to € 188.4 million (previous year: € 156.6 million). As a result, the subgroup accounted for 92.3 % (previous year: 90.4 %) of the Group's operating result in the reporting period. In the Real Estate subgroup, EBIT decreased 5.1 % to € 15.5 million due to scheduled large-scale maintenance work that does not qualify for capitalisation (previous year: € 16.3 million). 7.7 % of the Group's operating result was generated by this subgroup (previous year: 9.6 %).

Operating result (EBIT)

in € million / EBIT margin in %



Net expenses from the **financial result** fell by € 5.3 million, or 20.3 %, to € 20.6 million (previous year: € 25.9 million). This was mainly due to the revaluation of an equalisation liability payable to a minority shareholder in conjunction with a profit and loss transfer agreement of a subsidiary.

At 24.6 %, the Group's **effective tax rate** was lower than in the previous year (previous year: 28.1 %).

Profit after tax and minority interests increased by 38.5 % year-on-year to € 112.3 million (previous year: € 81.1 million). Non-controlling interests accounted for € 26.2 million in the 2018 financial year (previous year: € 24.8 million). From a financial point of view, this item includes the expenses mentioned in relation to the financial result associated with revaluing an equalisation liability payable to a minority shareholder. **Earnings per share** rose by 38.5 % to € 1.54 (previous year: € 1.11). The listed Port Logistics subgroup achieved a 44.5 % increase in earnings per share to € 1.47 (previous year: € 1.02). Earnings per share of the non-listed Real Estate subgroup were down on the prior-year figure at € 3.46 (previous year: € 3.65). As in the previous year, there was no difference between basic and diluted earnings per share in 2018. The return on capital employed (ROCE) was up 1.7 percentage points year-on-year at 14.8 % (previous year: 13.1 %). Corporate and Value Management

As in the previous year, HHLA's **appropriation of profits** is oriented towards the development of the HHLA Group's earnings in the financial year ended. The distributable profit and HHLA's stable financial position form the foundation of the company's consistent profit distribution policy. On this basis, the Executive Board and Supervisory Board will propose at the Annual General Meeting on 18 June 2019 a dividend of € 0.80 per class A share and € 2.10 per class S share. Based on the number of shares with dividend entitlement as of 31 December 2018, the amount to be distributed for listed class A shares would increase by 19.4 % to € 56.0 million (previous year: € 46.9 million). The amount to be distributed for non-listed class S shares would increase by 5.0 % year-on-year to € 5.7 million (previous year: € 5.4 million). In relation to the consolidated profit and earnings per share, the dividend payout ratio would reach a high level of approximately 54 % for the Port Logistics subgroup (previous year: 66 %) and around 61 % for the Real Estate subgroup (previous year: 55 %).

Financial position

Balance sheet analysis

Compared with the previous year, the HHLA Group's **balance sheet total** increased by a total of € 137.6 million to € 1,972.9 million as of 31 December 2018.

Balance sheet structure

in € million	**31.12.2018**	31.12.2017
Assets		
Non-current assets	1,446.9	1,348.0
Current assets	526.0	487.3
	1,972.9	**1,835.3**
Equity and liabilities		
Equity	614.8	602.4
Non-current liabilities	1,114.7	993.8
Current liabilities	243.4	239.1
	1,972.9	**1,835.3**

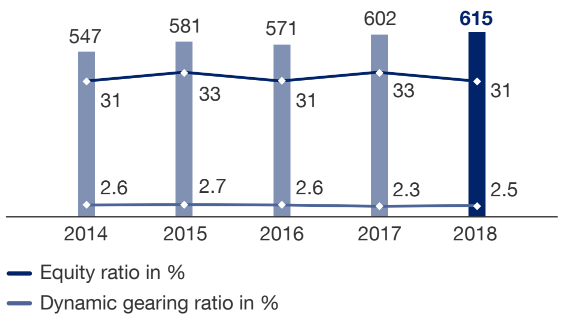
On the assets side of the balance sheet, **non-current assets** rose by € 98.9 million. Property, plant and equipment grew by € 85.7 million to € 1,060.3 million (previous year: € 974.6 million). Intangible assets rose by € 20.1 million year-on-year to € 89.8 million (previous year: € 69.7 million). The rise in both of these balance sheet items is mainly due to the first-time consolidation of HHLA TK Estonia AS, Tallinn, Estonia (previously Transiidikeskuse AS). Another factor was the increase in property, plant and equipment due to capital expenditure, less amortisation and depreciation.

Current assets grew by € 38.7 million to € 526.0 million (previous year: € 487.3 million). The increase was primarily attributable to trade receivables, which grew by € 30.7 million to € 179.8 million (previous year: € 149.1 million), and an increase in receivables from related parties of € 18.7 million to € 100.2 million (previous year: € 81.5 million). By contrast, cash, cash equivalents and short-term deposits fell by € 20.0 million to € 181.5 million (previous year: € 201.5 million).

On the liabilities side, **equity** rose by € 12.4 million compared to year-end 2017, taking it to € 614.8 million (previous year: € 602.4 million). This growth was mainly due to positive comprehensive income of € 147.9 million. It was offset by the distribution of dividends and the reclassification of a future financial settlement totalling € 85.3 million as a non-current financial liability, as well as the acquisition of the remaining shares in METRANS a.s., Prague, Czech Republic, amounting to € 49.9 million. The equity ratio decreased to 31.2 % (previous year: 32.8 %).

Group equity

in € million



Non-current liabilities rose by € 120.9 million to € 1,114.7 million (previous year: € 993.8 million). The increase was mainly due to a rise in non-current financial liabilities of € 125.2 million to € 429.9 million (previous year: € 304.7 million) from the issuance of promissory note loans.

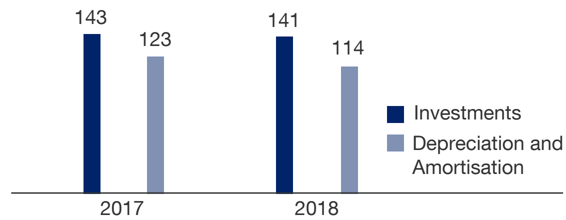
Current liabilities grew by € 4.3 million to € 243.4 million (previous year: € 239.1 million). This was primarily attributable to trade liabilities, which grew by € 9.8 million to € 87.0 million (previous year: € 77.2 million). By contrast, other current provisions fell by € 6.6 million to € 28.0 million (previous year: € 34.6 million).

Investment analysis

Capital expenditure in the 2018 financial year totalled € 141.3 million (previous year: € 142.6 million). This figure includes additions of € 2.4 million from finance leases not recognised as a direct cash expense (previous year: € 4.2 million). Capital expenditure focused on extending the Hamburg container terminals and expanding intermodal transport and handling capacities. Additionally, 100 % of the shares of HHLA TK Estonia AS were acquired. Investment projects were mainly funded by the operating cash flow generated in the financial year.

Investments, depreciation and amortisation

in € million

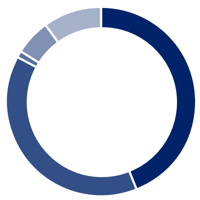


Property, plant and equipment accounted for € 117.3 million (previous year: € 131.6 million) of capital expenditure, while intangible assets accounted for € 11.1 million (previous year: € 5.5 million) and investment property for € 12.9 million (previous year: € 5.5 million).

Investments amounting to € 62.6 million were made in the **Container segment** (previous year: € 81.2 million). Capital expenditure was dominated by the procurement of handling equipment and storage capacities at the Hamburg container terminals. The **Intermodal segment** invested € 55.1 million (previous year: € 45.7 million). The METRANS Group accounted for most of this investment volume, mainly for wagons and locomotives. Capital expenditure in the **Logistics segment** came to € 1.4 million (previous year: € 1.4 million). The **pro forma Holding/Other segment** invested a total of € 14.1 million (previous year: € 8.4 million). A large proportion of capital expenditure was for the migration to a new terminal management system. The **Real Estate segment** invested a total of € 8.4 million (previous year: € 6.1 million) mainly for the development of the Speicherstadt historical warehouse district.

Capital expenditure

by segment in 2018



Investments in the Container segment focus on enhancing the productivity of existing terminal areas by using state-of-the-art handling technology and developing berth places for the trend in ship sizes. Meanwhile, in the Intermodal segment, the primary objective is to increase vertical integration to further improve the performance and range of its hinterland connections.

As of year-end, there were other financial liabilities for outstanding purchase commitments totalling € 107.0 million (previous year: € 110.6 million). This figure includes € 69.6 million (previous year: € 77.3 million) for the capitalisation of property, plant and equipment.

Liquidity analysis

Cash flow from operating activities fell year-on-year from € 275.5 million to € 232.7 million. This decline of € 42.8 million is mainly due to an increase in trade receivables and other assets of € 53.0 million against previous year. At the same time, an increase of € 19.0 million in balances of provisions contributed to the decrease in cash flow from operating activities. There was an opposing effect from the increase in EBIT of € 31.0 million.

Cash flow from investing activities (outflow) of € 203.4 million was above the prior-year figure of € 131.2 million. This increase of € 72.2 million in cash outflow was mainly due to payments of € 72.0 million made for the acquisition of all shares in Transiidikeskuse AS, excluding acquired cash and cash equivalents.

Free cash flow – the total cash flow from operating and investing activities – decreased to € 29.3 million (previous year: € 144.3 million).

Cash flow from financing activities (outflow) amounted to € 31.5 million in the reporting period (previous year: € 119.0 million) and was therefore € 87.5 million below the prior-year figure. One of the main reasons for the lower cash outflow was proceeds from the issue of bonds and the raising of (financial) loans. This was offset by the payment made to acquire all minority interests in METRANS a.s., Prague, Czech Republic.

Liquidity analysis

in € million	2018	2017
Financial funds as of 01.01.	**255.6**	**232.4**
Cash flow from operating activities	232.7	275.5
Cash flow from investing activities	- 203.4	- 131.2
Free cash flow	**29.3**	**144.3**
Cash flow from financing activities	- 31.5	- 119.0
Change in financial funds	- 2.2	25.3
Change in financial funds due to exchange rates	0.6	- 2.1
Financial funds as of 31.12.	**254.0**	**255.6**
Short-term deposits	22.4	20.0
Available liquidity	276.4	275.6

The HHLA Group had sufficient liquidity as of year-end 2018. There were no liquidity bottlenecks in the course of the financial year. **Financial funds** totalled € 254.0 million as of 31 December 2018 (31 December 2017: € 255.6 million). Including all short-term deposits, the Group's **available liquidity** as of year-end 2018 came to a total of € 276.4 million (previous year: € 275.6 million).

Financing analysis

Financial management at the HHLA Group is handled centrally and serves the overriding objective of ensuring the Group's long-term financial stability and flexibility. Group clearing pools the Group's financial resources, optimises net interest income and substantially reduces dependency on external sources of funding. Derivative financial instruments can be used to reduce the risk of changes in interest rates and, to a minor extent, to reduce currency and commodity price risks.

HHLA's business model is dominated by a large proportion of property, plant and equipment with long useful lives. For this reason, HHLA mainly uses medium- and long-term loans and finance leases to achieve funding with matching maturities. Pension provisions are also available for long-term internal financing.

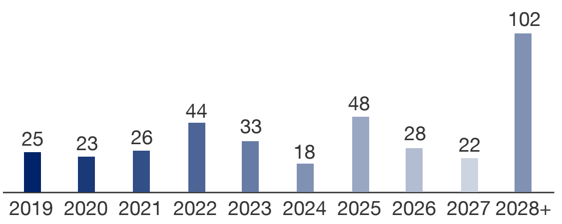
At € 369.7 million as of the balance sheet date, amounts due to banks were above the prior-year figure of € 256.9 million. The Group drew on additional external financing totalling € 136.9 million in the 2018 financial year (previous year: € 0.0 million). New borrowing was offset by loan repayments of € 27.9 million (previous year: € 41.9 million). A promissory note loan was the main reason for the increase in liabilities from bank loans. Due to the maturities agreed and its stable liquidity position, the company had no significant refinancing requirements.

The majority of the liabilities from bank loans are denominated in euros, with a small proportion in US dollars. In terms of conditions, approximately 76 % have fixed interest rates and some 24 % have floating interest rates. As a result of borrowing, certain affiliated companies had covenants linked to key balance sheet figures, which mostly require a minimum equity ratio to be met. Covenants are currently in place for approximately 23 % of bank loans. These covenants were met at all agreed audit points throughout the reporting year.

As of the balance sheet date, HHLA disclosed non-current liabilities to related parties totalling € 105.0 million (previous year: € 105.5 million). These resulted from the recognition of the leasing liability to the Hamburg Port Authority (HPA) in connection with quay walls for the mega-ship berths at the HHLA Container Terminal Burchardkai (CTB) and the HHLA Container Terminal Tollerort (CTT).

Maturities of bank loans

by year and in € million



With the exception of operating leases, there are no significant off-balance sheet financial instruments. These operating leases relate primarily to long-term agreements between the HHLA Group and either the Free and Hanseatic City of Hamburg or HPA for leasing land and quay walls in the Port of Hamburg and the Speicherstadt historical warehouse district.

Cash, cash equivalents and short-term deposits, the bulk of which is held centrally by the holding company, totalled € 181.5 million as of the balance sheet date (previous year: € 201.5 million). These funds are mainly invested at German financial institutions with verified high credit ratings as demand deposits, call money and short-term deposits. Current credit lines play a subordinate role due to HHLA having sufficient liquid funds. As of the balance sheet date, the Group had unused credit facilities amounting to approximately € 2.7 million (previous year: € 3.2 million). The credit line utilisation rate was 72.9 % in the period under review (previous year: 67.9 %). In HHLA's view, the Group's solid balance sheet structure would enable more substantial credit facilities to be arranged at any time if its medium-term liquidity planning were to reveal a need. Of the total cash and cash equivalents, € 14.5 million as of the balance sheet date (previous year: € 10.4 million) was subject to restrictions in Ukraine relating to the transfer of currency abroad. In the previous year, € 11.2 million served as collateral for working lifetime accounts.

As HHLA has a large number of borrowing options at its disposal outside of the capital market, the Group currently sees no need for an external rating. Instead, it provides existing and potential creditors with comprehensive information to ensure that they can derive appropriate internal credit ratings. Furthermore, Deutsche Bundesbank once again confirmed the Group's eligibility for central bank finance.

Public subsidies awarded for individual development projects that are subject to specific conditions are of minor importance in terms of their volume at Group level.

Acquisitions and disposals of companies

With share purchase and transfer agreements dated 2 March 2018, HHLA acquired further shares in METRANS a.s., Prague, Czech Republic, thus increasing its stake from 90.0 % to 100 %. In accordance with the entity concept, the purchase price for these shares was taken directly to equity with a corresponding reduction in non-controlling interests.

HHLA signed a contract dated 26 March 2018 for the acquisition of 100 % of shares in terminal operator Transiidikeskuse AS, headquartered in Tallinn, Estonia, in order to further expand its existing transport and logistics network in Estonia. Upon the various conditions precedent being met, HHLA took control of the company on 27 June 2018 (acquisition date within the meaning of IFRS 3 (9)). The purchase price (transferred consideration) was paid in euros. The company was renamed HHLA TK Estonia as of 24 September 2018.

HHLA founded the company HHLA Sky GmbH, based in Hamburg, on 24 July 2018. The company was included in HHLA's group of consolidated companies as of the end of the financial year. The primary purpose of the company is to develop, organise, manage, operate, monitor and distribute airborne logistics services.

In the reporting year, there were no further substantial acquisitions or disposals of shares in subsidiaries.

Changes in the group of consolidated companies

With the share purchase agreement dated 28 December 2017 and the agreement on the transfer of company shares dated 22 January 2018, METRANS a.s., Prague, Czech Republic, acquired 100 % of shares in POLZUG Intermodal Polka sp. z.o.o., Warsaw, Poland, and renamed the acquired company METRANS (Polonia) Sp. z.o.o. This transaction has no material impact on HHLA's consolidated financial statements.

On submission of the application for its removal from the commercial register on 25 May 2018, the company HCC Hanseatic Cruise Centers GmbH i. L., Hamburg, was deconsolidated as of 30 June 2018 and is therefore no longer included in HHLA's group of consolidated companies.

The company POLZUG Intermodal GmbH, Hamburg, was merged with HHLA International GmbH, Hamburg, as of 1 January 2018 upon entry in the commercial register on 31 August 2018. The merger had no impact on HHLA's consolidated financial statements.

The Czech company JPFE-07 INVESTMENTS s.r.o., Ostrava, Czech Republic, which was not previously included in HHLA's group of consolidated companies, was merged with METRANS a.s., Prague, Czech Republic, as of 1 January 2018 upon entry in the commercial register on 12 December 2018. The merger had no material impact on HHLA's consolidated financial statements.

There were no other significant acquisitions, purchases or disposals of shares in subsidiaries, or changes to the group of consolidated companies. Notes to the consolidated financial statements, no. 3 Composition of the Group

Segment performance

Container segment

Key figures

in € million	2018	2017	Change
Revenue	758.9	746.6	1.7 %
EBITDA	209.8	194.7	7.7 %
EBITDA margin in %	27.6	26.1	1.5 pp
EBIT	131.6	109.4	20.3 %
EBIT margin in %	17.3	14.7	2.6 pp
Container throughput in thousand TEU	7,336	7,196	1.9 %

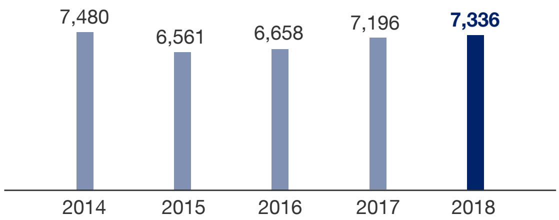
During the 2018 reporting year, the **volume development** at HHLA's container terminals increased slightly by 1.9 % to 7,336 thousand TEU (previous year: 7,196 thousand TEU).

The three **Hamburg container terminals** were almost able to match the strong prior-year figures with container throughput of 6,885 thousand TEU or - 0.3 % (previous year: 6,904 thousand TEU). Despite the loss of a South America service halfway through 2018 as part of the realignment of the shipping consortia, overseas traffic volumes remained stable with growth of 0.4 %. This was largely attributable to the 4.6 % increase in Asian traffic (Far East–Northern Europe) over the previous year. However, this was not sufficient to fully offset the 2.3 % decline in feeder traffic with the Baltic region. The proportion of seaborne handling by feeders decreased correspondingly to 24.0 % (previous year: 24.5 %).

Throughput at the **international container terminals** in Tallinn, Estonia, and Odessa, Ukraine, during the reporting period was 451 thousand TEU (previous year: 292 thousand TEU). It should be noted, that the figures for the previous year are only partly comparable as the container terminal in Tallinn was only integrated into the HHLA consolidated group at the end of the second quarter of 2018.

Container throughput

in thousand TEU



Revenue increased by 1.7 % year-on-year to € 758.9 million (previous year: € 746.6 million) and thus lagged slightly behind the rise in seaborne volumes. The share of local cargo increased, especially higher-margin, rail-bound throughput. After the temporary increase in storage fees of the past two years due to the realignment of shipping alliances, fees returned to their normal levels in 2018. Revenue generated by the international terminals came under pressure from competition. However, these negative effects were almost fully offset by the slightly decrease in the proportion of lower-margin feeder traffic and adjustments to individual handling rates. The average revenue per container handled at the quayside dipped slightly by 0.3 % year-on-year in the 2018 financial year.

EBIT costs for the segment decreased by 1.5 % in the 2018 financial year due to the absorption in the previous year of expenses for the organisational restructuring and harmonisation of pension systems amounting to around € 25 million. Adjusted for this effect, EBIT costs were 2.5 % higher than in the previous year. The main reasons for this were higher personnel expenses due to increased headcount following the integration of HHLA TK Estonia AS, union tariff rises in June 2018 and increased energy costs. The **operating result (EBIT)** improved strongly by 20.3 % to € 131.6 million (previous year: € 109.4 million). The EBIT margin rose by 2.6 percentage points to 17.3 % (previous year: 14.7 %).

During the reporting year, HHLA made further investments to ensure the future viability of its facilities. The main focus was on sustainable handling equipment and the promotion of transport by rail. Diesel-powered automatic guided vehicles (AGVs) at the Container Terminal Altenwerder (CTA) were replaced by battery-powered AGVs, which are practically emission-free. The rail station at the Container Terminal Buchardkai (CTB) was