abroad rose by 5.9 % to 2,015 in the first half of 2017 (31 December 2016: 1,903). This was primarily due to increased headcount at the Intermodal companies in the Czech Republic, Slovakia, Slovenia and Hungary. Due to the expansion of its services and increase in vertical integration, the Intermodal segment hired an additional 103 workers, taking its headcount to 1,790. The number of staff employed by the Logistics segment fell by 72 compared with December 2016. This was mainly due to the discontinuation of operating activities in project and contract logistics. There was only little or no change in headcount at the strategic management holding company and the Container and Real Estate segments compared to 31 December 2016.

Events after the Balance Sheet Date

There were no significant events after the balance sheet date of 30 June 2017.

Business Forecast

Macroeconomic and Sector Outlook

In July 2017, the International Monetary Fund (IMF) largely confirmed its **macroeconomic forecast** from the beginning of the year and still anticipates a moderately positive economic trend for 2017 on the whole.

By contrast, the market research institute Drewry recently significantly upgraded its **sector outlook** from the start of the year. Its growth forecast for global container throughput has almost doubled, from 2.1 % to 4.1 %. The experts now anticipate throughput growth of 3.1 % in North-West Europe in 2017 (previously: 1.2 %). The outlook for Scandinavia and the Baltic region was revised upwards from 3.2 % at the beginning of the year to 8.3 %. HHLA has already taken this positive industry trend into account, for example in its volume projection updated in May 2017.

Expected Group Performance

In view of the earnings development in the Container segment in the first half-year – which exceeded expectations in the second quarter in particular – HHLA's Executive Board has updated its earnings forecast for the Group in 2017.

The **Container segment's operating result (EBIT)** is now expected to be in a range between € 85 million and € 105 million *after* possible one-off expenses of up to € 15 million (previous forecast: in the upper half of a range between € 75 million and € 105 million *before* possible one-off expenses of up to € 15 million).

Taking into account the development in segment earnings, the Executive Board forecasts an **operating result (EBIT)** for the **Port Logistics subgroup** in a range between € 135 million and € 155 million *after* possible one-off expenses of up to € 15 million for reorganisation of the Container segment. As the **operating result** for the **Real Estate subgroup** is still expected to be on a par with the previous year, **Group EBIT** is now expected to be in a range between € 150 million and € 170 million, also *after* possible one-off expenses of up to € 15 million for reorganisation of the Container segment.

The previous forecast for the Group EBIT was in the upper half of a range between € 140 million and € 170 million and an operating result for the the Port Logistics subgroup was expected in the upper half of a range between € 125 million and € 155 million. Both *before* possible one-off expenses of up to € 15 million for reorganisation of the Container segment.

All other disclosures made in the 2016 Annual Report, and more recently in the Interim Statement for the period from January to March 2017, about the expected course of business in 2017 continue to apply.

Risk and Opportunity Report

With regard to the HHLA Group's risk and opportunity position, the statements made in the Management Report section of the 2016 Annual Report continue to apply, unless otherwise indicated in this report. This section of the Annual Report describes the risk and opportunity factors associated with the HHLA Group's business activities. The risks identified still do not threaten the ongoing existence of the Group. As far as the future is concerned, there are also no discernible risks at present that could jeopardise the continued existence of the company.