Condensed Notes

1. Basic Information on the Group

The Group's parent company is Hamburger Hafen und Logistik Aktiengesellschaft, Bei St. Annen 1, 20457 Hamburg (HHLA), 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).

The Condensed Interim Consolidated Financial Statements, and therefore the information in the Notes, are presented in euros (€). For the sake of clarity, the individual items are shown in thousands of euros (€ thousand) unless otherwise indicated. Due to the use of rounding procedures, it is possible that some figures do not add up to the stated sums.

2. Significant Events in the Reporting Period

There were no particular events or transactions during the period under review which had an impact on the Group's earnings, net assets and financial position.

3. Consolidation, Accounting and Valuation Principles

3.1 Basis for Preparation of the Financial Statements

The Condensed Interim Consolidated Financial Statements for the period from 1 January to 30 June 2017 were prepared in compliance with the rules of IAS 34 *Interim Financial Reporting*.

The IFRS requirements that apply in the European Union have been met in full.

The Condensed Interim Consolidated Financial Statements should be read in conjunction with the audited Consolidated Financial Statements as of 31 December 2016.

3.2 Principal Accounting and Valuation Methods

The accounting and valuation methods used for the preparation of the Condensed Interim Consolidated Financial Statements correspond to the methods used in the preparation of the Consolidated Financial Statements as of 31 December 2016. The company did not start applying any new standards on 1 January 2017.

The following new standards can be applied on a voluntary basis for the financial year under review. These have not been adopted by HHLA:

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers

Adoption of the above-mentioned standards is mandatory for financial years which begin on or after 1 January 2018. Based on the current project status, the HHLA Group does not expect any material changes resulting from the initial application of the IFRS 9 standard. Similarly, based on the current project status, the application of IFRS 15 is not expected to result in any material changes to revenue from contracts with customers compared with the current method of accounting.

3.3 Changes in the Group of Consolidated Companies

There were no changes in the group of consolidated companies at HHLA as of 30 June 2017.

4. Purchase and Sale of Shares in Subsidiaries

There were no acquisitions or disposals of shares in subsidiaries in the first half of 2017.

5. Earnings per Share

The following table illustrates the calculation for basic earnings per share for the Group and the subgroups:

Basic earnings per share in €

	Group		Port Logistics Subgroup		Real Estate Subgroup	
	1–6 | 2017	1–6 | 2016	1–6 | 2017	1–6 | 2016	1–6 | 2017	1–6 | 2016
Share of consolidated net profit attributable to shareholders of the parent company in € thousand	52,616	25,806	48,050	21,270	4,566	4,536
Number of common shares in circulation	72,753,334	72,753,334	70,048,834	70,048,834	2,704,500	2,704,500
	0.72	0.35	0.69	0.30	1.69	1.68

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

6. Dividends Paid

At the Annual General Meeting held on 21 June 2017, shareholders approved the proposal by the Executive Board and Supervisory Board to distribute a dividend of € 0.59 per share to the shareholders of the Port Logistics subgroup and of € 2.00 per share to the shareholders of the Real Estate subgroup. The total dividend of € 46,738 thousand was paid accordingly on 26 June 2017.

7. Segment Report

The Segment Report is presented as an annex to the Condensed Notes.

The HHLA Group's segment report is prepared in accordance with the provisions of IFRS 8 *Operating Segments*. IFRS 8 requires reporting on the basis of the internal reports made to the Executive Board for the purpose of controlling the company's activities.

The segment performance indicator used is the internationally customary key figure EBIT (earnings before interest and taxes), which serves to measure the success in each segment and therefore aids the internal control function. For further information, please refer to the Consolidated Financial Statements as of 31 December 2016.

The accounting and valuation principles applied for internal reporting comply with the principles applied by the HHLA Group described in ▶ Note 6 "Accounting and Valuation Principles" in the Notes to the Consolidated Financial Statements as of 31 December 2016.

Segment information is reported on the basis of the internal control function, which is consistent with external reporting and is classified in accordance with the activities of the HHLA Group's business segments. These are organised and managed autonomously in accordance with the type of services being offered.

The HHLA Group still operates in four segments: Container, Intermodal, Logistics and Real Estate.

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

The reconciliation of segment assets with Group assets incorporates not only items for which consolidation is mandatory, but also claims arising from current and deferred income taxes, cash and cash equivalents, short-term deposits and financial assets which are not to be assigned to segment assets.

The reconciliation of the segment variable EBIT with consolidated earnings before taxes (EBT) incorporates not only transactions between the segments and the subgroups for which consolidation is mandatory, but also the proportion of companies accounted for using the equity method, net interest income and other financial result.

Reconciliation of the Segment Variable EBIT to Earnings before Tax (EBT)

in € thousand	1–6 | 2017	1–6 | 2016
Segment earnings (EBIT)	97,653	65,802
Elimination of business relations between the segments and subgroups	1,163	1,053
Group earnings (EBIT)	98,816	66,855
Earnings from associates accounted for using the equity method	2,983	2,583
Net interest income	- 8,311	- 12,946
Other financial result	0	- 10
Earnings before tax (EBT)	93,488	56,482

8. Equity

The breakdown and development of HHLA's equity for the period from 1 January to 30 June of the years 2017 and 2016 are presented in the statement of changes in equity.

9. Pension Provisions

The calculation of pension provisions as of 30 June 2017 was based on an interest rate of 1.60 % (31 December 2016: 1.40 %; 30 June 2016: 1.00 %). The calculation of provisions for working lifetime accounts as of 30 June 2017 was based on an interest rate of 1.90 % (31 December 2016: 1.70 %; 30 June 2016: 1.00 %). Actuarial gains/losses changed as follows. These are recognised in equity without effect on profit and loss.

Development of Actuarial Gains/Losses

in € thousand	2017	2016
Cumulative actuarial gains (+)/losses (-) as of 1 January	- 85,844	- 40,637
Change during the financial year due to a change in interest rate	14,200	- 73,471
Cumulative actuarial gains (+)/losses (-) as of 30 June	- 71,644	- 114,108

10. Investments

As of 30 June 2017, total capital expenditure throughout the HHLA Group amounted to € 63.6 million (previous year: € 67.2 million).

The largest investments made in the first six months of 2017 were in the Container segment. Amongst other things, HHLA invested in container gantry cranes at CTB and CTT.

As of 30 June 2017, the Container segment accounted for the bulk of investment commitments at € 11.0 million.

11. Financial Instruments

The tables below show the carrying amounts and fair values of financial assets and financial liabilities, as well as their level in the fair value hierarchy.

Financial Assets as of 30 June 2017

in € thousand	Carrying amount			Fair Value			
	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)		4,001	4,001	4,001			4,001
	0	4,001	4,001				
Financial assets not measured at fair value							
Financial assets	14,826	2,896	17,722				
Trade receivables	160,030		160,030				
Receivables from related parties	80,985		80,985				
Other financial receivables	2,896		2,896				
Cash, cash equivalents and short-term deposits	166,082		166,082				
	424,819	2,896	427,715				

Financial Liabilities as of 30 June 2017

in € thousand	Carrying amount				Fair Value			
	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				0				0
	0	0	0	0				
Financial liabilities not measured at fair value								
Financial liabilities (liabilities from bank loans)			277,025	277,025		281,928		281,928
Financial liabilities (finance lease liabilities)			39,481	39,481		39,481		39,481
Financial liabilities (settlement obligation)			18,045	18,045		18,045		18,045
Financial liabilities (other)			42,485	42,485		42,485		
Trade liabilities			68,043	68,043				
Liabilties to related parties (finance lease liabilties)			106,120	106,120		142,393		142,393
Liabilities to related parties (other)			6,778	6,778				
	0	0	557,977	557,977				

Financial Assets as of 31 December 2016

in € thousand	Carrying amount			Fair Value			
	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)		3,940	3,940	3,940			3,940
	0	3,940	3,940				
Financial assets not measured at fair value							
Financial assets	14,434	2,896	17,330				
Trade receivables	160,440		160,440				
Receivables from related parties	81,736		81,736				
Other financial receivables	2,172		2,172				
Cash, cash equivalents and short-term deposits	177,192		177,192				
	435,974	2,896	438,870				

Financial Liabilities as of 31 December 2016

in € thousand	Carrying amount				Fair Value			
	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				0				0
	0	0	0	0				
Financial liabilities not measured at fair value								
Financial liabilities (liabilities from bank loans)			298,350	298,350		304,780		304,780
Financial liabilities (finance lease liabilities)			39,043	39,043		39,043		39,043
Financial liabilities (settlement obligation, long-term)			18,045	18,045		18,045		18,045
Financial liabilities (settlement obligation, short-term)			22,603	22,603				
Financial liabilities (other)			37,723	37,723		37,723		37,723
Trade liabilities			68,106	68,106				
Liabilties to related parties (finance lease liabilties)			106,304	106,304		149,820		149,820
Liabilities to related parties (other)			8,950	8,950				
	0	0	599,124	599,124				

In the first half of 2017, gains of € 742 thousand (30 June 2016: € 36 thousand) were recognised in the income statement on financial assets and/or liabilities held at fair value through profit and loss. These primarily related to interest rate hedges in the previous year, while currency futures with no effective hedging relationship as per IAS 39 made up the bulk in the first half of 2017.

Currency futures contracts concluded in the reporting period covering a total amount of € 1,638 thousand have a remaining term of approximately three years.

In the first half of 2016, changes of € 118 thousand in the fair value of financial instruments designated as hedging instruments (interest rate swaps) were taken directly to equity. There were no interest rate swaps in the first six months of 2017.

The valuation methods and key unobservable input factors for calculating fair value are described in the Notes to the Consolidated Financial Statements as of 31 December 2016.

12. Transactions with Respect to Related Parties

There are various contracts between the Free and Hanseatic City of Hamburg and/or the Hamburg Port Authority and companies in the HHLA Group for the lease of land and quay walls in the Port of Hamburg and in the Speicherstadt historical warehouse district. Moreover, the HHLA Group lets office space to other enterprises and public institutions affiliated with the Free and Hanseatic City of Hamburg. Further information about these business relationships can be found in the Consolidated Financial Statements as of 31 December 2016.

The amounts reported for receivables from related parties and liabilities to related parties as of 30 June 2017 remained largely the same as those recorded as of 31 December 2016.

13. Events after the Balance Sheet Date

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

Hamburg, 9 August 2017

Hamburger Hafen und Logistik Aktiengesellschaft
The Executive Board

Angela Titzrath

Heinz Brandt

Jens Hansen

Dr. Roland Lappin

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable accounting principles for interim financial reporting, the Interim Consolidated Financial Statements give a true and fair view of the earnings, net assets and financial position of the Group, and the Interim Management Report of the Group 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 remainder of the financial year.

Hamburg, 9 August 2017

Hamburger Hafen und Logistik Aktiengesellschaft
The Executive Board

Angela Titzrath

Heinz Brandt

Jens Hansen

Dr. Roland Lappin

Review Report

To Hamburger Hafen und Logistik Aktiengesellschaft, Hamburg

We have reviewed the condensed interim consolidated financial statements, comprising the balance sheet, the income statement, the statement of comprehensive income, the cash flow statement, the statement of changes in equity and selected explanatory notes – and the interim group management report of Hamburger Hafen und Logistik Aktiengesellschaft, Hamburg, for the period from 1 January to 30 June 2017, which are part of the six-monthly financial report pursuant to Section 37w of the German Securities Trading Act (WpHG). The company's Executive Board is responsible for preparation of the condensed interim consolidated financial statements in accordance with IFRSs on interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the WpHG applicable to interim group management reports. Our responsibility is to issue a report on the condensed interim consolidated financial statements and the interim group management report based on our review.

We conducted our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer, IDW). Those standards require that we plan and perform the review to obtain a certain level of assurance in our critical appraisal to preclude that the condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IFRSs on interim financial reporting as adopted by the EU and that the interim group management report is not prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports. A review is limited primarily to making enquiries of company personnel and applying analytical procedures and thus does not provide the assurance that we would obtain from an audit of financial statements. In accordance with our engagement, we have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IFRSs on interim financial reporting as adopted by the EU or that the interim group management report is not prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports.

Hamburg, 9 August 2017

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Claus Brandt
Wirtschaftsprüfer
[German Public Auditor]

Christoph Fehling
Wirtschaftsprüfer
[German Public Auditor]