Segment Performance

Container Segment

Key Figures

in € million	1–6 | 2017	1–6 | 2016	Change
Revenue	372.3	336.6	10.6 %
EBITDA	109.9	95.4	15.1 %
EBITDA margin in %	29.5	28.4	1.1 pp
EBIT	68.1	54.2	25.8 %
EBIT margin in %	18.3	16.1	2.2 pp
Container throughput in thousand TEU	3,586	3,209	11.8 %

In the first half of 2017, HHLA's container terminals handled a total of 3,586 thousand standard containers (TEU). This was 11.8 % more than one year earlier (previous year: 3,209 thousand TEU). **Container throughput** at the three container terminals in Hamburg also grew by 11.8 % to 3,441 thousand TEU (previous year: 3,077 thousand TEU). This trend was mainly driven by a recovery in Asian routes (+ 16.1 %) and significant growth in feeder traffic with the Baltic Sea ports (+ 22.4 %). The feeder ratio rose accordingly by 2.1 percentage points compared with the prior-year quarter to 25.0 % (previous year: 22.9 %). HHLA also profited from the reorganisation of shipping alliances and resulting gains in market share at the Port of Hamburg. Container throughput at the Container Terminal Odessa continued to make good progress with year-on-year growth of 10.1 % to 145 thousand TEU in the first half of 2017 (previous year: 132 thousand TEU).

The increase in volumes led to a corresponding rise in **revenue,** which was up 10.6 % on the first half of 2016 at € 372.3 million (previous year: € 336.6 million). Storage fees rose strongly as a result of shipping delays and the associated increase in dwell times for containers at HHLA's container terminals, while the higher proportion of lower-margin feeder traffic in particular led to lower average revenue per container handled at the quayside. Consequently, average revenue declined by 1.0 % compared to the same period last year.

The segment's EBIT costs rose by 7.7 % in the first half of 2017. Despite the growth in volumes, economies of scale on the cost side could not be fully realised. In conjunction with somewhat restricted capacity caused by ongoing extension and maintenance work at the container terminals in Hamburg, the high utilisation of storage capacity resulting from shipping delays and the reorganisation of container shipping companies' service structures led to peaks in demand that could only be managed with the use of additional resources. Nevertheless, the year-on-year increase in the **operating result (EBIT)** of 25.8 % to € 68.1 million (previous year: € 54.2 million). The EBIT margin rose accordingly to 18.3 % (previous year: 16.1 %).

Intermodal Segment

Key Figures

in € million	1–6 | 2017	1–6 | 2016	Change
Revenue	206.2	190.8	8.1 %
EBITDA	46.9	45.3	3.5 %
EBITDA margin in %	22.7	23.8	- 1.1 pp
EBIT	34.9	33.7	3.5 %
EBIT margin in %	16.9	17.6	- 0.7 pp
Container transport in thousand TEU	744	694	7.2 %

In the first half of 2017, HHLA's transport companies achieved strong growth in the highly competitive market for container traffic in the hinterland of major seaports. **Transport volumes** rose by 7.2 % to 744 thousand standard containers (TEU), compared with 694 thousand TEU in the same period last year. In the reporting period, this trend was driven by growth in both rail and road transport. Compared with the first half of 2016, rail transport increased by a further 5.9 % to 568 thousand TEU (previous year: 537 thousand TEU). Road transport developed very positively with growth of 11.8 % to 176 thousand TEU (previous year: 158 thousand TEU) as a result of strong freight volumes in the greater Hamburg area.

With an increase of 8.1 % to € 206.2 million (previous year: € 190.8 million), **revenue** climbed at a slightly faster rate than transport volumes. The marginal decline in rail's share of HHLA's total intermodal transportation from 77.3 % to 76.3 % was slightly more than offset by longer transport distances in rail transport.

The **operating result (EBIT)** increased year on year to € 34.9 million (previous year: € 33.7 million), well short of volume and revenue growth. In addition to the year-on-year increase in cost of materials for periodic maintenance work, this was due in particular to an asymmetrical relationship between import and export volumes as well as changes in the route mix.

In June 2017, the fourth METRANS hub terminal was officially opened in Budapest. With this facility, HHLA is expanding its hinterland network to include another strategic hub. Its location in the heart of Europe makes it the perfect interface between the North European seaports, the Adriatic, and Central, East and South-East Europe. Moreover, METRANS added six new locomotives to its operating fleet in the first half of the year.

There are plans to integrate the activities of POLZUG into the METRANS organisation as of next year. Pooling these activities should simplify structures and processes, thereby enabling synergies to be realised.

Logistics Segment

Key Figures

in € million	1–6 | 2017	1–6 | 2016	Change
Revenue	24.7	27.4	- 9.8 %
EBITDA	2.8	- 14.7	pos.
EBITDA margin in %	11.5	- 53.6	65.1 pp
EBIT	0.7	- 16.7	pos.
EBIT margin in %	2.7	- 60.9	63.6 pp
At-equity earnings	2.6	2.2	17.8 %

The prior-year earnings include one-off expenses of 14.9 million from the restructuring of project and contract logistics.

After a restrained performance in the first three months, the fully consolidated companies of the Logistics segment experienced an upturn in business during the second quarter. Due to the discontinuation of project and contract logistics activities, however, segment **revenue** was down 9.8 % year on year at € 24.7 million (previous year: € 27.4 million) due to the discontinuation of project and contract logistics activities.

By contrast, the segment's **operating result (EBIT)** improved to € 0.7 million (previous year: € - 16.7 million) in the reporting period. Last year's result included one-off expenses of € 14.9 million from the restructuring of project and contract logistics.

The companies included in **at-equity earnings** recorded a year-on-year improvement in the first half of 2017 as a result of encouraging growth in bulk cargo handling. At-equity earnings rose by 17.8 % to € 2.6 million (previous year: € 2.2 million).

Real Estate Segment

Key Figures

in € million	1–6 | 2017	1–6 | 2016	Change
Revenue	18.7	18.7	- 0.1 %
EBITDA	10.5	10.5	0.2 %
EBITDA margin in %	56.2	56.0	0.2 pp
EBIT	8.0	7.9	0.9 %
EBIT margin in %	42.8	42.4	0.4 pp

In Hamburg's office rental market, the positive revenue trend seen at the beginning of the year continued in the second quarter. According to Grossmann & Berger's latest market report, 300,000 m^2 of office space was let in the first half of 2017 – 25 % more than in the previous year. Lettings of temporary space for use during renovation work contributed to this substantial increase. Owner-occupied properties played only a minor role in the first half of the year, however.

Due to high demand, Hamburg's vacancy rate fell by 0.5 percentage points year on year to 4.9 % – thus falling below the 5 % mark for the first time in 10 years. The HafenCity section of the market, which includes HHLA's properties in the Speicherstadt historical warehouse district, had a vacancy rate of 5.4 % (previous year: 8.3 %).

There was also a consistently positive trend for HHLA's properties in the Speicherstadt historical warehouse district and fish market area in the first six months of 2017. As a result of virtually full occupancy in both areas, **revenue** remained on a par with the previous year at € 18.7 million in the first half-year.

The **operating result (EBIT)** of € 8.0 million, up slightly on last year's figure of € 7.9 million.

Employees

Employees

by segments	30.06.2017	31.12.2016	Change
Container	2,912	2,945	- 1.1 %
Intermodal	1,790	1,687	6.1 %
Holding/Others	654	651	0.5 %
Logistics	142	214	- 33.6 %
Real Estate	31	31	0.0 %
HHLA Group	5,529	5,528	0.0 %

At the end of the first half of 2017, HHLA employed a total of 5,529 people. Headcount therefore remained virtually unchanged from 31 December 2016. In geographical terms, the workforce was concentrated mainly in Germany, with 3,514 staff members (31 December 2016: 3,625), most of whom are based in Hamburg. This corresponds to a share of 63.6 % (31 December 2016: 65.6 %). The number of staff employed